

CERTAIN SPIRITS FROM IRELAND

Determination of the Commission
in Investigation No. 104-TAA-3
Under Section 104(b) of the
Trade Agreements Act of 1979, Together
With the Information Obtained
in the Investigation

USITC PUBLICATION 1165

JULY 1981

UNITED STATES INTERNATIONAL TRADE COMMISSION

COMMISSIONERS

Bill Alberger, Chairman
Michael J. Calhoun, Vice Chairman
Catherine Bedell
Paula Stern

Kenneth R. Mason, Secretary to the Commission

This report was prepared by:

William Schechter, Investigator
Stephen Miller, Office of Investigations
John Reeder, Office of Industries
Jane Albrecht, Office of the General Counsel
Frank Mitko, Office of Economics

John MacRatton, Supervisory Investigator

Address all communications to
Office of the Secretary
United States International Trade Commission
Washington, D.C. 20436

C O N T E N T S

	<u>Page</u>
Determination-----	1
Views of Chairman Alberger and Commissioners Bedell and Stern-----	4
Views of Vice Chairman Calhoun-----	12
Information developed in the investigation:	
Introduction-----	A-1
Development of the instant case-----	A-2
Description and uses:	
The imported whisky product-----	A-3
The domestic whisky product-----	A-4
The imported cordial or liqueur product-----	A-5
The domestic cordial or liqueur product-----	A-5
Nature and extent of the bounties or grants being paid or bestowed-----	A-6
U.S. Tariff treatment-----	A-6
Special U.S. and State taxes on distilled spirits-----	A-8
The domestic industry:	
U.S. producers' whisky-----	A-8
U.S. producers' liqueurs and cordials-----	A-10
U.S. importers' Irish whisky-----	A-11
U.S. importers' Irish liqueurs-----	A-11
U.S. market:	
Whisky-----	A-12
Liqueurs and cordials-----	A-13
Consideration of injury or likelihood thereof-----	A-13
U.S. production, shipments, and exports-----	A-13
U.S. inventories-----	A-15
U.S. imports of whisky-----	A-16
U.S. imports of cordials or liqueurs-----	A-16
Consideration of the causal relationship between the subsidized imports and the alleged injury:	
Market penetration of the subsidized imports:	
Whisky-----	A-22
Liqueurs and cordials-----	A-22
Retail price comparisons-----	A-22
Appendix A. European Communities' letter to the Commission, received March 28, 1980-----	A-29
Appendix B. U.S. International Trade Commission's letter notifying the U.S. Department of Commerce, of the receipt of a request for an investigation (Apr. 2, 1980)-----	A-31
Appendix C. U.S. Department of Commerce's <u>Federal Register</u> notice of its intention to conduct an annual administrative review of all countervailing duty orders (45 F.R. 31455), May 13, 1980-----	A-37
Appendix D. <u>Federal Register</u> notices of U.S. Department of Commerce's preliminary results and final results of administrative review of countervailing duty order (46 F.R. 22632) (46 F.R. 32923)-----	A-39
Appendix E. <u>Federal Register</u> notice of U.S. International Trade Commission's institution of countervailing duty investigation (46 F.R. 30736),-----	A-43

CONTENTS

	<u>Page</u>
Appendix F. Treasury Decision 31229 imposing additional duties on spirits, the product of the United Kingdom of Great Britain and Ireland-----	A-45
Appendix G. Treasury Decision 31490 revoking T.D. 31229 of January 21, 1911-----	A-47
Appendix H. Treasury Decision 34466 imposing countervailing duties on British spirits-----	A-49
Appendix I. Treasury Decision 47753-----	A-53
Appendix J. Treasury Decision 77-65 revoking Treasury decisions 34466 and 47753-----	A-57
Appendix K. Supplemental statistics-----	A-61

Tables

1. Selected spirits from Ireland: U.S. imports unit values, countervailing duty assessed, and date of entry, January 1980-April 1981-----	A-7
2. Spirits from Ireland: U.S. rates of duty-----	A-9
3. Whisky: U.S. production of whisky by period 1976-1980, Jan.-Oct. 1979 and Jan.-Oct. 1980-----	A-14
4. Whisky, U.S. exports of whisky, by years 1975-1980-----	A-15
5. Whisky: End-of-period inventories, 1975-79, January-October 1979, and January-October 1980-----	A-15
6. Irish and Scotch whisky, not over one gallon (TSUS item No. 169.19): U.S. imports for consumption by principal sources, 1978-80-----	A-17
7. Whisky except Irish and Scotch, in containers holding one gallon or less (TSUS item No. 169.21): U.S. imports for consumption by principal sources, 1978-80-----	A-18
8. Irish and Scotch whisky, in containers holding over one gallon (TSUS item No. 169.20): U.S. imports for consumption by principal sources, 1978-1980-----	A-19
9. Whisky except Irish and Scotch, in containers holding more than one gallon (TSUS item No. 169.22): U.S. imports for consumption by principal sources 1978-1980-----	A-20
10. Cordials and liqueurs, in containers holding not over one gallon (TSUS item No. 168.96): U.S. imports for consumption by principal sources, 1978-1980-----	A-21
11. Cordials and liqueurs, in containers holding over one gallon (TSUS item No. 168.98): U.S. imports for consumption by principal sources, 1978-1980-----	A-23
12. Whisky: Domestic shipments, imports by selected countries, and apparent consumption, 1978, Jan.-Sept. 1978 and 1979-----	A-24
13. Cordials and liqueurs: Domestic shipment and imports, 1975-1980----	A-25
14. Price comparisons at retail, June 3, 1981: Irish whisky and competing imported and domestic whiskies-----	A-27

CONTENTS

	<u>Page</u>
Tables	
15. Price comparisons at retail, June 3, 1981: Irish cordials and liqueurs and domestic cordials and liqueurs-----	A-28
K-1 Alcoholic beverages: U.S. shipments, imports, and apparent consumption by type 1976-1979-----	A-62
K-2 Distilled spirits: U.S. shipments, imports, and apparent consumption, by type, 1976-79-----	A-63
K-3 Spirits for beverages (TSUS item Nos. 169.46 and 169.47): U.S. imports for consumption, by principal sources, 1978-80-----	A-65

Note.--Information that would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report. Deletion are indicated by asterisks.

PDF Create! 6 Trial
www.nuance.com

U.S. INTERNATIONAL TRADE COMMISSION
CERTAIN SPIRITS FROM IRELAND
Investigation No. 104-TAA-3

Determination

Based on the record developed in investigation No. 104-TAA-3, the Commission unanimously determines, pursuant to section 104(b) of the Trade Agreements Act of 1979, that an industry in the United States would not be materially injured, or threatened with material injury, nor would the establishment of an industry in the United States be materially retarded, by reason of imports of spirits from Ireland if the countervailing duty order on such merchandise, provided for in items 168.96, 168.98, 169.19, 169.20, 169.46, and 169.47 of the Tariff Schedules of the United States (TSUS), were to be revoked.

Background

This investigation of certain spirits from Ireland evolved from a countervailing duty order, dated May 25, 1914. The 1914 countervailing duty case was instituted by Treasury as a result of information transmitted by the Department of State to the Department of the Treasury regarding export allowances paid by the United Kingdom of Great Britain and Ireland for "plain British spirits," "spirits in the nature of spirits and wine," and "British compounded spirits." The countervailing duty order was continued in a Treasury Decision, dated June 20, 1935, covering spirits from both the Irish Free State and the United Kingdom of Great Britain and Northern Ireland. The order covering spirits from the United Kingdom of Great Britain and Northern Ireland was revoked on February 8, 1977, when it was determined that the bounties and grants in question were no longer being paid or bestowed.

On March 28, 1980, the U.S. International Trade Commission received a letter from the Delegation of the Commission of the European Communities requesting that the Commission commence an investigation to determine whether an industry in the United States would be materially injured or threatened with material injury, or the establishment of an industry in the United States would be materially retarded, by reason of the imports of certain spirits from Ireland covered by the countervailing duty order if that order were revoked.

On April 20, 1981, in its first annual review of the subsidy the Department of Commerce, which had succeeded the Treasury as the administrator of the countervailing duty laws effective January 2, 1980, published its preliminary determination of the net amount of the subsidy applicable to the certain spirits from Ireland in the Federal Register (46 F.R. 22632). Commerce determined that the net subsidy conferred during the period January 1, 1980-December 31, 1980, was 0.004 Irish pounds per liter of alcohol in plain spirits (TSUS items 169.19 and 169.20) and 0.008 Irish pounds per liter of alcohol in compounded spirits (TSUS items 168.96, 168.98, 169.46, and 169.47). Commerce confirmed its preliminary finding on the amount of the subsidy in its final administrative determination, notice of which was published in the Federal Register on June 25, 1981 (46 F.R. 32923).

On the basis of Commerce's preliminary determination of the most current subsidy levels, the U.S. International Trade Commission instituted investigation No. 104-TAA-3 on certain spirits from Ireland on June 4, 1981, pursuant to section 104(b)(2) of the Trade Agreements Act. Notice of the institution of the Commission's investigation and a 14-day period in which to

request the use of questionnaires and/or the holding of a public hearing was duly given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of June 10, 1981 (46 F.R. 30736). No requests for a public hearing or for the use of questionnaires were received. Therefore, no public hearing was held and no questionnaires were prepared, mailed, or used.

The National Association of Beverage Importers, Inc., ("NABI") whose members import over 90 percent of the Irish whiskey and liqueur imported into the United States, filed a brief on June 26, 1981, in support of the revocation of the order. No other briefs were received by the Commission, and no parties expressed opposition to revocation of the order.

VIEWS OF CHAIRMAN ALBERGER, COMMISSIONER BEDELL AND COMMISSIONER STERN

Determination

Based on the record developed in investigation No. 104-TAA-3, we determine that an industry in the United States would not be materially injured, or threatened with material injury, nor would the establishment of an industry in the United States be materially retarded, 1/ by reason of imports of spirits from Ireland if the countervailing duty order on spirits from Ireland 2/ were to be revoked.

ANALYSIS

The Domestic IndustryIrish Whiskey */

There is no domestic product which is like Irish whiskey (also referred to as "Irish") in characteristics and uses. By U.S. law and by definition, Irish whiskey must be made in Ireland. 3/ Moreover, no domestic product is made of the same blend of grains or by the same process as that used in Ireland to make Irish whiskey. Irish is a barley-based whiskey. Most American whiskeys are made predominantly from corn; some are made from rye.

1/ Currently, 22 U.S. companies produce raw whiskey and 60 U.S. companies bottle domestic whiskey and blends. There are currently 8 U.S. producers of liqueurs, cordials and their miscellaneous compounded liquors; 44 domestic firms bottle and/or process the beverages produced by the above 8 producers. Consequently, the material retardation of the establishment of a U.S. industry is not an issue, and will not be discussed further.

2/ Treasury Decision 34466 (May 25, 1914), continued by Treasury Decision 47753 (June 20, 1935).

3/ 27 CFR § 5.11.

*/ The Irish have kept the "e" in the spelling of "whiskey." The Scots have not. Although U.S. Federal regulations have adopted "whisky" for the generic use of the term, both spellings are acceptable in referring to U.S. products.

However, we do find that American whiskeys are "most similar in characteristics and uses" with Irish whiskey, within the meaning of 19 U.S.C. § 1677(10). All whiskeys are similar in composition, method of production, taste, and aroma. The uses of all whiskeys are also very similar. All whiskeys are predominantly consumed straight or "on the rocks"; they are used in mixed drinks to a lesser extent. The characteristics and uses of domestic whiskeys are much closer to those of Irish whiskey than are other domestically produced alcoholic beverages, such as wine, beer and "white goods." ^{4/} In addition, the industry and the Bureau of Alcohol, Tobacco and Firearms ("B.A.T.F.") recognize whiskey as a separate product line.

Thus, the appropriate domestic industry for purposes of this investigation is the domestic producers of whiskey. Currently, 22 companies produce raw whiskey and 60 U.S. establishments bottle domestic whiskeys.

Irish Liqueurs

The three imported liqueurs from Ireland are Irish Mist, Irish Creams, and Irish Velvet. The only domestic product that is equivalent to any of the imported Irish liqueurs is "Dunphy's Original Irish Cream." There is no domestic product that is like Irish Mist or Irish Velvet.

Although it might be argued that each type of cordial is a like product unto itself as a result of different ingredients and flavors, this approach would interpret the "like product" criteria too narrowly, distorting any analysis of the affected industry. See Report of the Senate Finance Committee, S. Rep. No. 96-249, 96th Cong., 1st Sess. 90-91 (1974). Inasmuch as all liqueurs have flavoring added to a distilled alcoholic beverage, have

^{4/} E.g, vodka, gin, rum, and tequila.

the same uses, and are considered by the industry and the B.A.T.F. to be a distinct category of alcoholic beverage for both production and consumer use, the products "most similar in characteristics and uses" to the imported liqueurs are domestically produced liqueurs.

Thus, the relevant domestic industry for purposes of analyzing the likely effect of revocation of the order on Irish liqueurs is the domestic producers of liqueurs. There are currently eight U.S. establishments producing liqueurs. The products manufactured by these concerns are bottled and/or processed by 44 domestic companies. 5/

The Current Condition of the U.S. Industries

The domestic whiskey and liqueur industries are currently in good condition, as indicated by the fact that none of the U.S. producers requested a hearing or questionnaires, or made any formal submissions in connection with this investigation. Publicly available data further support this finding.

Domestic production of whiskey has increased substantially since 1976. Despite a shift in consumer preference since 1978 from whiskeys to rum, vodka, wine, beer, and mineral water, 6/ production rose by 28 percent from 1976 to 1980. 7/ Although U.S. shipments of whiskeys have declined slightly from 115 million proof gallons in 1976 to 110 million proof gallons in 1979, this is

5/ We recognize that the major producers of both domestic whiskey and domestic liqueurs are also major importers of the goods under investigation. However, the inclusion or exclusion of the producers/importers in the definition of the domestic industry in this case would have no effect on the outcome of our decision.

6/ See staff report at A-13.

7/ See staff report at A-13-A-14.

attributable to a decline in the level of inventories maintained since 1975, not to competition from imports. 8/ Total domestic shipments of liqueurs or cordials have increased steadily since 1977. 9/ This parallels a steady increase in apparent U.S. consumption of liqueur for the same time period. 10/

Likely Effects of the Removal of the Countervailing Duty

The lack of response to this investigation by the domestic producers of whiskey and liqueurs suggests that they do not anticipate material injury or the threat of material injury as a result of the revocation of the order under review. The information on the record reinforces this conclusion.

Irish Whiskey

The net subsidy on Irish whiskey has been determined to be 0.004 Irish pounds per liter of alcohol. 11/ As Irish whiskey is sold at 80 proof in this country, that translates into a subsidy of a little less than one-fifth of one U.S. cent for each "fifth" (750 milliliters) of Irish whiskey. 12/ Moreover, the retail price of a "fifth" of Irish whiskey ranges from \$7.99 to \$9.97 per bottle. 13/ Only premium domestic whiskeys sell in the same price range. 14/ The bulk of whiskey sold in the United States, however, is not in the premium-

8/ See staff report at A-13-A-16. Inventories declined from 737 million proof gallons in 1975 to 581 million proof gallons in 1979.

9/ Staff report at A-13.

10/ Id.

11/ Id. at A-2.

12/ The conversion was based on the value of an Irish pound at 1.52 U.S. dollars, the spot market price for the pound on June 26, 1981. The value of the pound has been stable at this level for several months.

13/ Staff report at A-22.

14/ Id. at A-22-A-27.

price range. The popular brands range in price from \$4.99 to \$5.99 per 750-milliliter bottle. 15/

The countervailing duty is so minuscule that its removal would not provide an incentive for an importer to lower the price of the goods. Even assuming that the removal of the countervailing duty would result in a price reduction equivalent to the amount of the duty, it would have no effect on the current pricing structure of the market. It would not change Irish whiskey's competitive position vis-a-vis the premium domestic brands, much less any effect on its competitive position with the popular, less-expensive brands. 16/

Irish whiskey's share of the U.S. whiskey market has been negligible, accounting for less than one-fourth of one percent of the U.S. market in 1979 and the first three quarters of 1980. This is true, despite the fact that it increased its market share by over 50 percent between 1977 and 1979. 17/ Irish whiskey now accounts for less than one-half of one percent of all imports of whiskey to the United States. 18/

We expect little if any price effect as a result of the revocation of the remedial order. Although the volume of imports may increase, such increase would certainly not be a result of the duty revocation. Since we do not anticipate significant changes in import prices and volume as a result of

15/ Id. at A-27.

16/ We note also that in the premium-price category, price is not a significant variable in consumer choice. Certain Whisky (Except Irish, Irish Type, Scotch, and Scotch Type), Inv. No. TEA-I-5, at 4,9 (April 1963).

17/ See staff report at A-22, A-24.

18/ Staff report at A-22, A-24.

revocation, it follows that such revocation will not adversely impact the current favorable performance of the industry.

Irish Liqueurs

A similar rationale lies behind our analysis of the domestic liqueur and cordial industry. The net subsidy on Irish liqueurs has been determined to be 0.008 Irish pounds per liter of alcohol. 19/ This translates into a subsidy of--1) slightly less than one-sixth of 1 U.S. cent per bottle of Irish Creams; 2) slightly less than one-third of 1 cent per bottle of Irish Mist; and 3) less than one-tenth of 1 cent per bottle of Irish Velvet. 20/ Moreover, the price of the least expensive 750 milliliter bottle of the least expensive type of Irish liqueur (Irish Cream) 21/ is more than twice as expensive as the average U.S. brand. 22/ Only three known domestically produced cordials approach the price category of the Irish liqueurs: Wild

19/ Id. at A-2.

20/ The amount of the subsidy varies for the 3 liqueurs because the alcoholic content of the three liqueurs is different. Also, the standard size of a bottle of Irish Velvet is 500 ml., whereas the standard size for the other two liqueurs is 750 ml. The conversion was based on the value of the Irish pound at 1.52 U.S. dollars, the spot market value on June 26, 1981. See n. 12, supra.

21/ A bottle of Irish Velvet actually sells for less than a bottle of Irish Cream (\$9.79 as opposed to \$11.99, per the staff survey); however, the price quoted for Irish Velvet is based on a 500 ml. bottle, whereas the price quoted for the other Irish liqueurs is based on 750 ml. bottles. Based on the pricing of the 500 ml. bottle of Irish Velvet, a 750 ml. bottle would cost approximately \$14.67. Thus, on a unit cost basis, Irish Cream is the least expensive of the Irish liqueurs.

22/ This is true, whether one looks at the median of all the domestic liqueurs listed on table 13 of the Staff Report, or whether one takes the average price of all the liqueurs listed in table 13 except for the two most expensive brands. If one includes the two most expensive brands in the computation of the average, the average American liqueur sells at \$6.04, still one-half of the cost of the least expensive Irish cordial.

Turkey, Praline, and Southern Comfort. 23/ Southern Comfort, at \$7.49, is still priced \$4.50 less than the cheapest bottle of an Irish cordial of the same size. 24/

As with Irish whiskey, the size of the countervailing duty is so small that its removal would not provide an incentive for lowering the price of any of the products. Even assuming an importer were to lower the price by an amount corresponding to the amount of the subsidy, such a small decline in price would have no effect on the competitive position of any of the Irish liqueurs vis-a-vis any of the domestically produced cordials. Dunphy's Original Irish Cream, the only domestically produced Irish liqueur, is priced 30 percent below imported Irish Creams. 25/

The total volume of imports of Irish liqueurs rose by 363 percent from 1978-80, largely due to the introduction and popularity of the Irish Cream liqueurs. 26/ The trend has continued in the first quarter of 1981. 27/ However, despite this growth, Irish liqueurs still account for only one-half of 1 percent of the U.S. market for cordials and liqueurs. 28/

Given the minuscule possible price effect, we do not expect the volume of imports to increase as a result of revocation of the subject orders. Since removal of the order will not have significant price and volume effects, we do not foresee any adverse impact on the U.S. liqueur industry that could be attributed to revocation of the countervailing duty order under review.

23/ Staff Report at A-6.

24/ See n. 19, supra.

25/ Staff Report at A-5.

26/ Id. at A-16, A-22.

27/ Id. at A-16.

28/ Id. at A-22.

Conclusion

We conclude that the domestic whiskey and liqueur industries would not be materially injured or threatened with material injury by termination of the countervailing duty order under review.

PDF Create! 6 Trial
www.nuance.com

VIEWS OF VICE CHAIRMAN CALHOUN

While I concur with my colleagues in result, I differ with their treatment of the issues in two respects. First, I have undertaken a much more detailed industry analysis because even though this investigation is non-controversial and was without opposition from the domestic industry, it presents issues in industry analysis which have importance beyond this case. Second, with respect to industry analysis of Irish liqueurs, I have found that for two of the three types of imported Irish liqueurs there is no domestic like product.

Determination

Based on the record developed in investigation No. 104-TAA-3, the Commission determined, pursuant to section 104(b) of the Trade Agreements Act of 1979, that no industry in the United States will be materially injured, or will be threatened with material injury, and that the establishment of an industry in the United States will not be materially retarded, 1/ by reason of imports of spirits from Ireland if the countervailing duty order on spirits from Ireland 2/ were to be revoked.

1/ Twenty-two U.S. companies produce raw whiskey and 60 U.S. companies bottle domestic whiskey and blends. There are currently eight U.S. producers of liqueurs, cordials and their miscellaneous compounded liquors. Forty-four domestic firms bottle and/or process the beverages produced by the above 8 producers. Consequently, the material retardation of the establishment of a U.S. industry is not an issue, and will not be discussed further in the specific context of this investigation.

2/ Treasury Decision 34466 (May 25, 1914), continued by Treasury Decision 47753 (June 20, 1935).

ANALYSIS

The Domestic Industry

In order to analyze the effect of subsidized imports on the domestic industry, one must first define the relevant domestic industry. Section 771(4)(A) of the Tariff Act of 1930 defines the term industry as

The domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product. 3/

Section 771(10) in turn defines "like product" as

(A) product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title. 4/

Thus, in order to define the domestic industry, one must first identify the imported product under investigation, and determine whether there is a "like product" produced in the United States.

This case actually involves two classes of imported products: Irish whiskey, and liqueurs (or cordials) imported from Ireland. Consequently, the two products will be dealt with separately.

I. Irish Whiskey 5/A. The Imported Product

Irish whiskey, as defined by the Bureau of Alcohol, Tobacco and Firearms, is a distinctive product of Ireland manufactured in either the Republic of

3/ 19 U.S.C. § 1677(4)(A).

4/ 19 U.S.C. § 1677(10).

5/ The Irish have kept the "e" in the spelling of "whiskey." The Scots have not. Although U.S. federal regulations have adopted "whisky" for the generic use of the term, both spellings are acceptable in referring to U.S. products.

Ireland or Northern Ireland, in compliance with their laws regulating the manufacture of Irish whiskey for home consumption, and containing no distilled spirits less than three years old. 6/ It is manufactured from small cereal grains containing not less than a 50 percent mixture of malted barley and unmalted barley, corn, wheat, oats or rye. 7/ While the precise mix varies, Irish whiskey is predominantly barley based. 8/ The mixture is distilled in a pot still at about 171 proof, and then blended to taste. 9/ Irish whiskey is desired for its unique taste. Thus, although it is used as an alcoholic base for mixed drinks, it is more often used for sipping without mixing.

B. Like Product Analysis

There is no Irish whiskey produced in the United States. By U.S. law and by definition, Irish whiskey must be made in Ireland under the laws of Ireland that regulate the production of Irish whiskey for home consumption. 10/ Moreover, no product of the United States is made of the same blend of grains or by the same process as that used in Ireland to make Irish whiskey. The taste of Irish whiskey is distinct from whiskeys made in this country and elsewhere.

6/ 27 C.F.R. § 5.11.

7/ Report of the Director of Investigations to the Commission on Spirits from Ireland (the "Staff Report") at A-4 omits corn as one of the grains used. However, Grossman's Guide to Wines, Beers and Spirits indicates that corn is used. Grossman's Guide to Wines, Beers and Spirits 332 (1977) (hereinafter "Grossman's"). The discrepancy is not significant for purposes of this investigation in light of the small amount of corn that would be used in the grain "mash" for Irish whiskey.

8/ Irish Whiskey Information Bureau; Knowing Alcoholic Beverages, 90 Liquor Store Magazine 41 (June 1979) (hereinafter referred to as "LSM").

9/ Staff Report at A-4.

10/ 27 C.F.R. § 5.11.

There are four major types of American whiskies: Bourbon, Tennessee whiskey, rye whiskey, and American blended whiskey. According to federal law, Bourbon must have at least 51 percent corn in the mash; rye must have 51 percent rye. 11/ Tennessee whiskey is a corn-based whiskey made just like a sour-mash Bourbon 12/ except that, prior to aging, it is introduced into vats where it slowly seeps through charcoal made from sugar maple trees. A blended whiskey 13/ is a mixture of straight whiskies and grain spirits or light whiskies. 14/ Blending enables distillers to produce a more harmonious whole

11/ The 51 percent is a minimum requirement. Most Bourbons and straight whiskeys contain a far greater percentage of the base grain. However, if a mash contains 80 percent or more corn, it would be designated corn whiskey and not Bourbon.

12/ Although most Bourbon is made from "sour-mash," it can be made from "sweet-mash." Tennessee whiskey is always made from "sour-mash." The terms refer to one of two yeasting processes used in the fermentation phase of making whiskey. A sweet mash is produced by adding all or almost all freshly developed yeast to the mash; little or no spent beer from a previous fermentation is mixed with the fresh mash. It is allowed to ferment thirty-six to fifty hours. A sour mash is produced by adding at least one-quarter of the volume of the fermenter of spent beer (working yeast) from a previous fermentation to the fresh mash and fresh yeast. The mash is allowed to ferment from seventy-two to ninety-six hours. Sour mash offers a favorable pH for yeast growth and inhibits bacterial contamination. Sweet mash is more difficult to control and must be done above 80 degrees Fahrenheit to end quickly and avoid contamination.

13/ Under federal law, a blended whiskey must be ". . . a mixture which contains at least 20 percent by volume of 100 proof straight whiskey and, separately or in combination, whiskey or neutral spirits, if such mixture at the time of bottling is not less than 80 proof." 27 C.F.R. § 5.22. It is important to note that a blended whiskey is not the same as a blend of straight whiskies. Straight whiskey may be mixed with other straight whiskies. If the mixture is made up of whiskies of the same distilling period and from the same distillery, they do not lose their straight whiskey designation. If the mixture contains straight whiskies from different distilling periods and from different distilleries, the end product must be labeled "blended Bourbon," "blended rye whiskey," etc. However, both types of blends of straight whiskies are straight whiskies, not blended whiskies.

14/ Since 1972, the B.A.T.F. has recognized "light whiskey," a grain distillate distilled between 160-190 proof, and aged in new uncharred white oak barrels.

and to duplicate with consistency an identical, uniform product. Grossman's Guide to Wines, Beers and Spirits 340 (1977) (hereinafter "Grossman's").

Irish varies from domestic whiskeys in a number of ways, in addition to the fact that none of the domestic whiskeys, including the blends, are barley-based whiskeys. Irish whiskey is distilled three times. United States whiskey is distilled twice. Most American straight whiskey (not including light whiskey) is aged in new, charred oak cooperage. Irish is aged in seasoned cooperage, often used sherry casks. Because of the used barrels, Irish requires a longer aging period than do American whiskeys. (E.g., Irish is usually aged seven to eight years before shipping, whereas Bourbon is normally aged four to six years before bottling.)

Lastly, Irish tastes distinctively different from other domestic whiskeys. Irish is generally lighter in body than American straight whiskeys because of the higher proof, very light-bodied grain whiskeys used in blending Irish. Rye and Bourbon whiskeys have the distinctive tastes and character of the rye and corn grains used to make them. They also have a higher congeneric ^{15/} content, making them both sweeter and fuller bodied than Irish.

For these reasons, I find no domestic product which is like Irish whiskey in characteristics and uses. To determine which, if any, of the domestically produced spirits are "most similar in characteristics and uses" to Irish whiskey for purposes of determining the relevant domestic industry, I consider three factors: the composition of the beverage, the method of distilling the

^{15/} "Congener" is a term used in the liquor industry that refers to the flavor and body components contained in a distilled spirit.

product, and the degree of substitutability of a particular domestic product for Irish whiskey. 16/

Wine and beer are fermented, as opposed to distilled, alcoholic beverages. In addition, wine is a fruit-based beverage, whereas whiskeys are grain-based beverages. The alcoholic contents of wine and beer are drastically lower than whiskey. They are not considered to be "hard drinks," and they are not generally substituted for hard liquor, particularly for use as the alcoholic base for mixed drinks.

The other liquors, "white goods," 17/ are more similar in characteristics to whiskies than are wine and beer in that--(1) they are distilled spirits; (2) some originate from a mash of grain; and (3) they are bottled with approximately the same level of alcohol content. They are similar in uses in that, like whiskey, they are used in mixed drinks, and in some parts of the world, they are used as a sipping beverage. 18/

However, there are distinctions between white goods and whiskies which make domestic whiskies, only, a more appropriate choice for "like product." Some white goods are not distilled from grain at all. 19/ Those that are distilled from grain are so distilled as to extract all character of the grains out of the spirits. 20/ White goods are distilled at significantly higher proofs than are whiskies.

16/ Substitutability includes price differentials and consumer preferences.

17/ Rum, gin, vodka, tequila.

18/ In the U.S., white goods are predominantly used in mixed drinks.

19/ E.g., rum, tequila.

20/ E.g., vodka, gin.

There is some general competition between white goods and whiskies. For example, the last decade has seen a general trend towards white goods, especially Puerto Rican rum. However, they do not compete with whiskey as directly as the various whiskeys compete among themselves. Also, white goods are predominantly used in mixed drinks in the United States. ^{21/} Whiskies, on the other hand, are generally a "sipping beverage." The most common use of whiskies is straight or "on the rocks." Grossman's at 345.

It is my view that the domestic whiskies are more nearly akin to Irish whiskies than are wine, beer or "white goods." Although each brand of whiskey has a distinctive taste, and is blended or produced somewhat differently, all whiskies have similarities in composition, method of production, ^{22/} taste and aroma. The uses of all whiskies are very similar. Although one whiskey is not always interchangeable for another, for example, Irish coffee can only be made with Irish whiskey, ^{23/} the domestic whiskies are directly competitive with Irish whiskey. ^{24/}

^{21/} E.g., over 90 percent of all vodka is drunk in mixed drinks in the United States. By way of contrast, it is often consumed straight in Europe. In rum-producing countries, rum is drunk straight; however, in the United States, the most popular ways of drinking rum are in cola, in Daiquiris, or with other mixers. Grossman's at 363-64. Similarly, gin's most popular use in the United States is in cocktails. See Grossman's at 356.

^{22/} The production of all whiskeys involves at least four basic processes: mashing, fermentation, distillation and aging. As not all whiskies use malted grains, the malting process explained in app. A, infra, is not present in the production of all whiskies.

^{23/} It is important to note, however, that in the situations where no one whiskey is substitutable for another, no other alcoholic beverage would be an acceptable substitute either.

^{24/} Competition between the various brands of whiskies is primarily based on taste and brand image rather than on price. 10 Summaries of Trade and Tariff Information, 183 (Schedule 1) (1970). See also Certain Whiskey, investigation

(Footnote continued)

For these reasons, I find that domestic whiskies are most similar in characteristics and uses to imported Irish whiskey within the meaning of section 771(10) of the Trade Agreements Act of 1979, and constitute the like product within the meaning of section 771(4)(A). Thus, the appropriate domestic industry for purposes of this investigation is comprised of the domestic producers of whiskey.

Currently, 22 U.S. companies produce raw whiskey, and 60 U.S. establishments bottle domestic whiskies (straight whiskies and blends). The four largest U.S. producers account for approximately 50 percent of domestic whiskey shipments and the ten largest U.S. producers account for over 50 percent of domestic whiskey shipments. Two large U.S. producers, Jos. Seagram and Sons, Inc. and Hiram Walker, Inc., are multi-national companies with their home offices in Canada. 25/

(Footnote continued)

No. TEA-I-5, at 4, 5, 9 (April 1963). The Summaries of Trade and Tariff Information indicates that the taste of Irish is more similar to American whiskey than is Scotch. 10 Summaries of Trade and Tariff Information, supra, at 183. As a result of extensive marketing research, the Irish Distillers, Ltd., formulated lighter bodied Irish whiskies, specifically to appeal to the American palate. LSM at 41. Jos. E. Seagram & Sons, importer of Jameson Irish whiskey, informed the Commission staff that the price of Jameson was raised to compete with premium Bourbons, Canadians and Scotches. Staff Report at A-16. Such a statement and such action evidences the fact that they consider Irish whiskey substitutable and competitive with other whiskies, including domestically produced whiskey (Bourbon). NABI, whose members are responsible for over 90 percent of the Irish whiskey imported into the United States, stated that "Irish whiskey competes directly against all other whiskies in the United States market. NABI Brief at 4.

25/ See Staff Report at A-14-A-15 for a list of the five largest U.S. producers.

II. Irish Liqueurs or Cordials 26/

A. The Imported Product

All spirits imported from Ireland other than Irish whiskey are liqueurs. Currently, the principle imported Irish liqueurs are so-called "Irish creams," which are a combination of Irish whiskey and a dairy cream base. There are various brands of Irish creams that are being imported. The brand being imported in the largest quantities is Bailey's Irish Cream imported by Paddington Corporation of New York. Other popular Irish liqueurs are "Irish Mist," an expensive 70 proof liqueur made from honey and Irish whiskey, and "Irish Velvet," a 46 proof product made from coffee and Irish whiskey. Irish Mist is the highest priced of the Irish liqueurs. These cordials are typically used as after dinner drinks and as cocktail ingredients.

B. Like Product Analysis

Technically, all cordials and liqueurs start with the same base: alcohol, sugar and water. 27/ Obviously, then, the differences among the various liqueurs lie in their distinctive flavors. In this investigation, the pertinent flavor is the combination of Irish whiskey and the distinctive flavoring of particular ingredients, i.e., coffee, honey, or cream. Of the domestically produced liqueurs, only "Dunphy's Original Irish Cream" is considered

26/ The terms liqueur and cordial are synonymous.

27/ A general description of the methods by which liqueurs are produced is contained in app. B.

to have a taste and composition reasonably akin to one of the imported products. The composition of the Dunphy's Cream, as with the imported Irish creams, is Irish whiskey and dairy cream. Dunphy's Original Irish Cream competes directly with the imported creams. Consequently, I find that "Dunphy's Original Irish Cream" is like the various brands of imported creams.

With regard to Irish Mist and Irish Velvet, my colleagues have found that all domestic liqueurs and cordials are most similar in characteristics and uses with all the imported Irish liqueurs, including Mist and Velvet. I agree with my colleagues in finding that there is no domestic product like Irish Velvet and Irish Mist, but I cannot find support for a conclusion that there are domestic products that are similar. There are no liqueurs like Irish Mist and Irish Velvet because there is no whiskey (Irish or otherwise) based domestic liqueur which is mixed with honey or coffee. Inasmuch as specific flavor is so very important a characteristic of alcoholic beverages in general and liqueurs in particular, the absence of a domestic product having a taste akin to these imports must render a conclusion that no domestic product like the import exists.

For basically the same reasons, I cannot conclude that any domestic liqueur is most similar to Irish Velvet and Irish Mist. In analyzing the above analysis of the whiskey industry, we have found that the only domestic like product for Irish whiskey is domestic whiskey because only it is most similar in characteristics (flavor) and uses (sipping). To be consistent, it only stands to reason that the same uniqueness in the taste of Irish or another whiskey

which is valued in their straight form must carry over to a form in which a particular mixture of ingredients is used to derive a specific variation on the basic whiskey flavor. Thus, I cannot say that non-whiskey based liqueurs with different ingredients than those of the imports are, from the perspective of the marketplace rather than in a broad conceptual sense, similar to a specific Irish whiskey based liqueur.

As I have said, from my reading of the record an important feature of alcoholic beverages in general and liqueurs and cordials in particular is their particular taste. Consumer preferences, in this connection are strongly idiosyncratic. Thus, while it may be predictable that a consumer desiring the distinctive taste of an Irish whiskey base liqueur may substitute for it another whiskey base liqueur with similar ingredients, it is not so apparent that any type of alcohol based liqueur with totally different ingredients would be acceptable. Absent some demonstrable level of substitutability and common characteristics, I cannot say that two products are similar. Since I find no similar product, there can be no most similar product and, therefore, no domestic like product with respect to Irish Velvet and Irish Mist.

For these reasons, I find the domestic industry is comprised of the American Distilling Company which produces "Dunphy's Original Irish Cream," the only like product in this investigation. In this investigation, however, we were unable to obtain sufficient data on American Distilling Company's separate production of Irish Cream. Thus, my assessment of the impact of revocation with regard to imports of Irish liqueurs must be with respect to the whole of

American Distilling Company's liqueur and cordial production, data on which is largely confidential. Therefore, my discussion will be in only the broadest terms.

The Current Condition of the U.S. Industries

I adopt the views of my colleagues with regard to domestic whiskey production. With regard to liqueur production by American Distilling, total shipments have increased steadily since 1977. This parallels a steady increase in apparent U.S. consumption for the same period. During this period American Distilling has enjoyed good profitability on its liqueur production.

Likely Effects of the Removal of the Countervailing Duty

I adopt the views of my colleagues with regard to Irish whiskey. With regard to Irish liqueurs, I adopt that part of my colleagues' views which pertain to imports of Irish creams and the domestic "Dunphy's Original Irish Cream."

PDF Create! 6 Trial
www.nuance.com

INFORMATION DEVELOPED IN THE INVESTIGATION

Introduction

On March 28, 1980, the U.S. International Trade Commission received a letter from the Delegation of the Commission of the European Communities requesting that the Commission commence an investigation to determine whether an industry in the United States would be materially injured or threatened with material injury, or the establishment of an industry in the United States would be materially retarded, by reason of the imports of certain spirits from Ireland covered by a countervailing duty order if that order were revoked. 1/ On April 2, 1980, the Commission notified the Department of Commerce, by letter, that, pursuant to section 104 (b), of the Trade Agreements Act of 1979, the European Communities had requested an injury determination for a countervailing duty order on certain spirits from Ireland. 2/ Following the requirements of the Trade Agreements Act of 1979, the Department of Commerce suspended liquidation on April 3, 1980, on all shipments of certain spirits from Ireland entered or withdrawn from warehouses, for consumption on or after that date. 3/ On May 13, 1980, the Department of Commerce published a notice in the Federal Register of intent to conduct an annual administrative review of all outstanding countervailing duty orders (45 F.R. 31455). 4/

The Department of Commerce, pursuant to section 751(a)(1) of the Tariff Act of 1930, conducted its first annual administrative review of the countervailing duty order on plain spirits and compounded spirits from Ireland provided for under items 168.96, 168.98, 169.19, 169.20, 169.46 and 169.47 of the Tariff Schedules of the United States (TSUS), and, as a result, published its preliminary determination of the net amount of the subsidy applicable to such spirits in the Federal Register of April 20, 1981, (46 F.R. 22632). 5/

On the basis of that determination by Commerce, the U.S. International Trade Commission, pursuant to section 104(b)(2) of the Trade Agreements Act, on June 4, 1981, instituted investigation No. 104-TAA-3 on certain spirits from Ireland. 6/ Notice of the institution of the Commission's investigation and a 14-day period in which to request the use of questionnaires and/or the holding of a public hearing was duly given by posting copies of the notice in the office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of June 10, 1981 (46 F.R. 30736). No requests for the use of questionnaires or for the holding of a public hearing were received by the Commission. Accordingly, the Commission did not send questionnaires and no public hearing was held.

1/ A copy of the letter from the Delegation of the Commission of the European Communities is presented in app. A.

2/ A copy of the Commission's letter to Commerce is presented in app. B.

3/ Commerce did not publish a Federal Register notice of suspension of liquidation.

4/ A copy of Commerce's notice of its intention to conduct an annual administrative review of all countervailing duty orders is presented in app. C.

5/ A copy of Commerce's Federal Register notice of its preliminary review is presented in app. D.

6/ A copy of the Commission's notice of investigation is presented in app. E.

Development of the Instant Case

This investigation by the U.S. International Trade Commission of certain spirits from Ireland evolved from a 1914 countervailing duty order. Prior to the 1914 countervailing duty case, the Department of State had transmitted to the Department of the Treasury certain information regarding export allowances paid by the United Kingdom of Great Britain and Ireland for "plain British spirits" and "spirits in the nature of spirits and wine," (3 pence per gallon for regular spirits and 5 pence per gallon for compounded spirits, based on alcohol content). As a result of its investigations, Treasury imposed a countervailing duty on January 21, 1911, 1/ removed it on April 18, 1911, 2/ and then reinstated it on May 25, 1914. 3/ After the repeal of prohibition, the Treasury Department continued the countervailing duty order in T.D. 47753, dated June 20, 1935. 4/ In the 1935 decision, the countervailing duty order was expanded to cover spirits from both the Irish Free State and the United Kingdom of Great Britain and Northern Ireland.

The countervailing duty order covering spirits from Great Britain was revoked on February 8, 1977, after an investigation revealed that the bounties or grants in question were no longer being paid or bestowed to exporters. 5/

On January 1, 1980, the provisions of title I of the Trade Agreements Act of 1979 became effective, and on January 2, 1980, the authority for administering the countervailing duty law was transferred from the Treasury Department to the Department of Commerce. Commerce, on May 13, 1980, published in the Federal Register (45 F.R. 31455) a notice of intent to conduct administrative reviews of all outstanding countervailing duty orders, and on April 20, 1981, Commerce published in the Federal Register (46 F.R. 22632) a notice of the Preliminary Results of the Administrative Review of the Countervailing Duty Order on Spirits from Ireland. This notice advised the public that as a result of the review, Commerce preliminarily determined the net amount of subsidy to be 0.004 Irish pounds per liter of alcohol in plain spirits (TSUS items 169.19 and 169.20) and 0.008 Irish pounds per liter

1/ A copy of Treasury Decision 31229 of Jan. 21, 1911, imposing countervailing duties is presented in app. F.

2/ A copy of Treasury Decision 31490 of Apr. 18, 1911, revoking the previously imposed countervailing duties is presented in app. G.

3/ A copy of Treasury Decision 34466 of May 25, 1914, again imposing countervailing duties is presented in app. H.

4/ A copy of Treasury Decision 47753 of June 20, 1935, continuing the previously declared countervailing duties is presented in app. I.

5/ A copy of Treasury Decision 77-65 which removes the countervailing duty applicable to spirits from the United Kingdom of Great Britain and Northern Ireland is presented in app. J.

of alcohol in compounded spirits (TSUS items 168.96, 168.98, 169.46 and 169.47) during the period January 1, 1980, through December 31, 1980. Commerce instructed the U.S. Customs Service to assess countervailing duties at the aforementioned rates on all unliquidated entries of this merchandise entered or withdrawn from warehouses for consumption prior to April 3, 1980.

The Commerce Department, on June 25, 1981, published in the Federal Register (46 F.R. 32923) notice of its Final Results of Administrative Review of the Countervailing Duty Order on certain spirits from Ireland. The notice advised the public that the net subsidy conferred on certain spirits from Ireland was unchanged from that announced in Commerce's preliminary finding.

Description and Uses

The imported whisky product

Irish whisky is defined by the Bureau of Alcohol, Tobacco and Firearms (27 CFR 5.11) as a distinctive product of Ireland manufactured either in the Republic of Ireland or in Northern Ireland, in compliance with their laws regulating the manufacture of Irish whisky for home consumption, and containing no distilled spirits less than 3 years old. The imported Irish whisky is manufactured from small cereal grains containing a mixture not less than 50 percent of malted barley and unmalted barley, wheat, oats, or rye. The mixture is distilled in a pot still at about 171 proof, and then blended to taste. Unlike Scotch whisky, whose ingredients and methods of manufacture Irish whisky generally follows, the barley malt for Irish whisky is not impregnated with the smoke from burning peat, and thus does not have a smoky flavor. Except for the Bushmill brand, all imported Irish whisky is distilled in the Republic of Ireland and is then shipped to the United States in large bulk containers; it is then bottled in the United States. The Bushmill brand is the only Irish whisky that is distilled in Northern Ireland; it is transported to the Republic of Ireland, where it is bottled and then exported. Since Bushmill's is a product of Great Britain for U.S. customs purposes, it has not been subject to countervailing duties since 1977.

All Irish whiskies produced in the Republic of Ireland and Northern Ireland are produced by the Irish Distillers Group, Ltd., headquartered in Dublin, Ireland. Except for the Bushmill brand, all of the other Irish brands are produced at the Middleton Distillery in Southern Ireland. However, the Middleton plant has separate production facilities for each brand name, and each brand has a separate U.S. importer. The imported product, after being bottled in the United States, is usually sold in quart or 750-milliliter bottles.

None of the industry sources contacted by the Commission staff stated that Irish whisky is "like" any other imported or domestic product. According to the regulations of The Bureau of Alcohol and Tobacco, Irish whisky can be produced only in Ireland. Therefore, by definition, there cannot be any U.S.-made "Irish" whisky. Two industry sources informed the Commission that imported Scotch whisky is the closest product in taste and method of production to Irish whisky. However, other industry sources maintain that Irish whisky is a separate and distinct product that is dissimilar to any

U.S.-made or any other imported product. According to the leading importer, and the National Association of Beverage Importers ^{1/} Irish whisky is most similar to other U.S.-produced or imported brown whiskies and, in that category, is priced most comparably to brown whiskies in the "premium" liquor class: These products include:

Imported Scotch

Cutty Sark
J & B Scotch
Johnny Walker Red Label

Imported Canadian

Canadian Club
Seagram's V.O.

Domestic

Wild Turkey
Jack Daniels

Recent market promotion by the liquor industry has widened the popularity of Irish whisky as an unmixed beverage. Previously, consumption of Irish whisky in the United States was primarily based on the ethnic appeal of the product and as a mixing agent for the preparation of Irish coffee. Industry marketing studies ^{2/} have shown that consumers of Irish whisky sometimes also drink Scotch, Canadian, and bourbon whiskies. Advertising by the liquor industry has tended to promote Irish whisky as a substitute for the previously mentioned premium priced imported and domestic whiskies.

The domestic whisky product

Whisky is described in the Internal Revenue Service labeling regulations (27 CFR 5.22) as an alcoholic distillate from a fermented mash of grain distilled at less than 190 proof in such manner that the distillate possesses the taste, aroma, and characteristics generally attributed to whisky, "withdrawn from the distillery at not more than 110 proof and not less than 80 proof," and bottled at not less than 80 proof.

U.S.-produced whiskies, as set forth in the regulations, include "rye whisky," "bourbon whisky," "wheat whisky," "malt whisky," "rye malt whisky," and "corn whisky," and are defined (except "corn whisky") as whiskies distilled at not exceeding 160 proof from a fermented mash of not less than 51 percent rye, corn, wheat, malted barley, or malted rye, respectively, and stored in charred, new oak containers. In accordance with the regulations, corn whisky is distilled at not exceeding 160 proof from a fermented mash of not less than 80 percent corn and stored in new uncharred oak containers or reused charred oak containers. Any of the foregoing can currently be designated as "straight" whisky if aged under the approved storage conditions for not less than 24 calendar months; unrectified mixtures of these whiskies are included as "straight" whisky.

The domestic product designation "blended whisky" is limited to a mixture which contains at least 20 percent by volume of 100 proof straight whisky and, separately or in combination, whisky or neutral spirits. The mixture must be bottled at not less than 80 proof. Domestically produced "light whisky" is

^{1/} * * * p. 4.

^{2/} The liquor Handbook, 1980

distilled at more than 160 proof but less than 190 proof, aged in used or uncharred new oak containers, entered for storage at proofs higher than 125 proof, and bottled at not less than 80 proof. Mixtures of this type with less than 20 percent by volume of 100 proof straight whisky are designated "blended light whisky."

Only premium-priced American produced whiskies such as Wild Turkey and Jack Daniels are priced at the same level as imported Irish whisky. The vast majority of U.S.-made whiskies are priced well below the imported Irish product. A number of "super premium" imported and domestic whiskies, e.g., Chivas Regal, Crown Royal, and Wild Turkey 101, are priced well above the Irish whisky. These are discussed more fully in the section on retail price comparisons, pages A-22 to A-28 of this report.

The imported cordial or liqueur product

The U.S. Customs Service informed the Commission that all compounded spirits from Ireland are cordial or liqueur products. Cordials and liqueurs (the terms are used interchangeably in this report), according to labeling regulations of the Internal Revenue Service (27 CFR 5.21), ^{1/} which governs both domestic and imported alcoholic beverages, are products obtained by mixing or redistilling neutral spirits, brandy, gin, or other distilled spirits, with or over fruits, flowers, plants, pure juices derived therefrom, other natural flavoring materials, or extracts derived from infusions, percolations, or maceration of such materials, and which contain sugar or dextrose or both in an amount not less than 35 percent by weight of the finished product. A cordial or liqueur may be designated as "dry" if the added sweeteners constitute less than 10 percent by weight of the finished product.

Currently, the principal imported Irish liqueurs are "Irish Creams," which are combinations of Irish whisky and a dairy cream base. The product imported * * * is Bailey's Irish Cream, imported by Paddington Corp. of New York. There are other Irish Cream liqueurs, all of which are priced competitively with the Bailey product. Other popular Irish liqueurs are Irish Mist, a more expensive 70 proof liqueur made from honey and Irish whisky, and Irish Velvet, a 46 proof product made from coffee and Irish whisky. It should be noted that Irish Mist is the highest priced Irish liqueur, and according to industry sources, competes only with other high-priced imported liqueurs.

The domestic cordial or liqueur product

Dunphy's Original Irish Cream is produced domestically by American Distilling Co., Baltimore, Md., principally from imported Irish whisky. Although Dunphy's Irish Cream is priced approximately 30 percent ^{2/} below the imported products at retail, it does compete and is interchangeable with imported Irish cream liqueurs.

^{1/} Internal Revenue Service labeling regulations govern both domestic and imported alcoholic beverages.

^{2/} The 30-percent figure is based on a random sampling of Washington, D.C., liquor stores.

The vast majority of U.S.-produced liqueurs are priced far below the imported products and are not considered competitive with the imported Irish liqueurs. The only exceptions are Praline, Southern Comfort, and Wild Turkey liqueur. Praline is a pecan flavored liqueur produced by Praline Emporium Co., New Orleans, La., and made from a mixture of pecans, brown sugar, butter, and vanilla. This liqueur was created 300 years ago by Count Cesar Du Plessis-Praslin. Both Southern Comfort and Wild Turkey are bourbon based, high-proof liqueurs.

Nature and Extent of the Bounties or Grants Being Paid or Bestowed

In 1860, the export allowance for Irish spirits was introduced to compensate for anticipated losses caused by certain British excise regulations. The original export allowance was 2 pence per gallon on plain spirits and 3 pence per gallon on compounded spirits. In 1881, the export allowance for compounded spirits was increased to 4 pence per gallon. The Finance Act of 1902 increased export allowances to 3 pence for regular spirits and 5 pence for compounded spirits. Subsequent British and Irish legislation extended and modified the scope of the provisions, but the amounts of the export allowance remained unchanged until 1970 when Ireland converted the allowance into the Irish pounds per litre of alcohol formula. The Commission staff calculated the amount of subsidy to be 0.19 percent for Irish whisky imported in containers not over 1 gallon and 0.27 percent in containers over 1 gallon. The subsidy for compounded Irish spirits is 0.12 percent for imports in containers not over 1 gallon and 0.38 percent for containers over 1 gallon.

The Embassy of Ireland informed the Department of Commerce "that these allowances are granted to Irish distillers in order to compensate for increased costs incurred by the distillers in compliance with the regulations of the Revenue Commissioners with regard to the distillation of spirits. The allowances do not, therefore, --and were never intended to-- subsidize exports of Irish spirits; rather they are designed simply to restore the competitiveness of Irish exports in international markets." ^{1/} Imports of various distilled spirits from Ireland are assessed with countervailing duties based upon the alcohol content of the particular product. Irish whiskies have a greater proof value than Irish liqueurs and are consequently assessed at a higher rate. Based on Customs' invoices made available to the Commission, the amount of duty, as a share of total value of imported products, ranges from as low as 0.04 percent for certain liqueurs to 0.3 percent for whisky, varying with the alcohol content of the import product (table 1).

U.S. tariff treatment

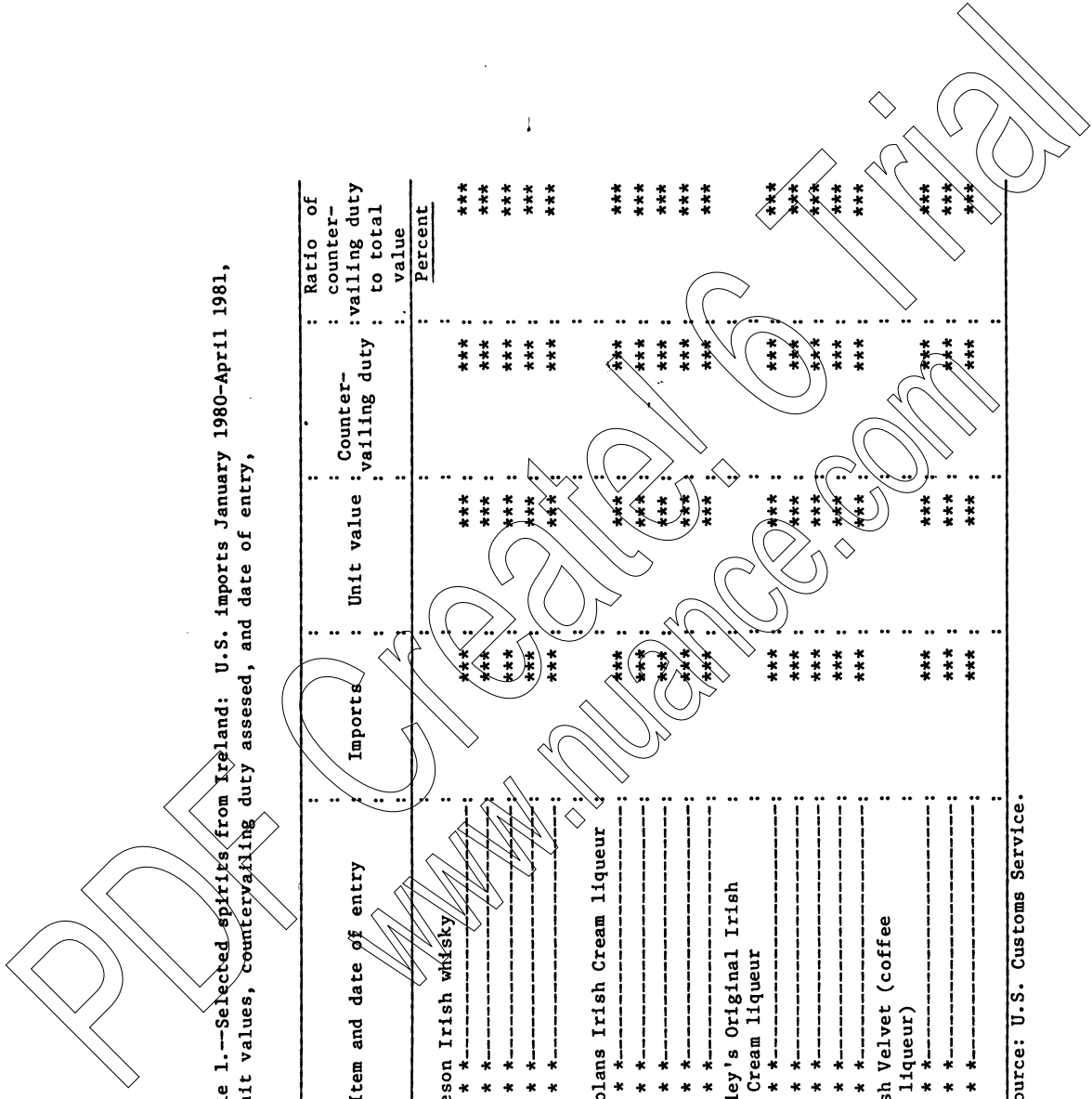
Irish whisky is currently classified under the provisions for Irish and Scotch whisky in items 169.19 and 169.20 of the Tariff Schedules of the United States (TSUS). The column 1 (most-favored-nation) rate of duty for Irish whisky in containers holding not over 1 gallon (TSUS item 169.19) is 43 cents

^{1/} Letter of First Secretary Carroll to the Department of Commerce, Nov. 25, 1980.

Table 1.--Selected spirits from Ireland: U.S. imports January 1980-April 1981, unit values, countervailing duty assessed, and date of entry,

Item and date of entry	Imports	Unit value	Counter- vailing duty	Ratio of counter- vailing duty to total value
	Percent			Percent
Jameson Irish whisky	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
Carolans Irish Cream liqueur	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
Bailey's Original Irish Cream liqueur	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
Irish Velvet (coffee liqueur)	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***

Source: U.S. Customs Service.



per proof gallon, and the column 2 rate is \$7.52 per proof gallon. The column 1 rate of duty for Irish whisky in containers holding over 1 gallon (TSUS item 169.20) is also 43 cents per proof gallon, but the column 2 rate is \$5 per proof gallon. Plain and compounded spirits from Ireland are classified under the provisions set forth in table 2.

No products classified under TSUS items 169.46 and 169.47 have been imported into the United States from Ireland in the past several years. ^{1/} The U.S. Customs Service informed the Commission that all compounded spirits from Ireland are being imported under the liqueur provisions of 168.96, and 168.98. None of the aforementioned tariff provisions are scheduled for staged duty reductions as a result of the Tokyo round of the Multilateral Trade Negotiations. TSUS items 168.96, 168.98, 169.46, and 169.47 are all eligible articles under the Generalized System of Preferences.

Special U.S. and State taxes on distilled spirits

In addition to duties on imports and the countervailing duty applicable to imports of spirits from Ireland, both imported and domestic distilled spirits have been subjected to various special Federal and State gallonage taxes since at least the end of Prohibition (1933). The Federal Excise tax, established at \$1.10 per proof gallon in December 1933, was increased to \$2.00 per proof gallon in January 1934, \$2.25 in July 1938, \$3.00 in July 1940, \$4.00 in October 1941, \$6.00 in November 1941, \$9.00 in April 1944, and \$10.50 in November 1951. The tax has remained at \$10.50 per proof gallon since that time. At least 33 States currently charge a gallonage tax on their production and/or sales of distilled spirits. The taxes in 1979 ranged from \$1.50 per wine gallon ^{2/} in the District of Columbia and New Mexico to \$4.75 per wine gallon for Florida and 20 percent ad valorem for Hawaii.

The Domestic Industry

U.S. producers' whisky

Currently, 22 U.S. establishments produce raw whisky, and 60 U.S. establishments bottle domestic whisky and blends. Most of the U.S. producers also import and manufacture wide varieties of other distilled beverages such as vodka, gin, rum, and liqueurs. The 4 largest U.S. producers are believed to account for approximately 50 percent of domestic whisky shipments and the 10 largest U.S. producers account for over 90 percent of domestic whisky shipments. Two large U.S. producers, Seagram's & Sons, Inc., and Hiram Walker, Inc., are multinational companies with their home offices in Canada.

^{1/} However, both plain and compounded spirits, fit for use as beverages or for beverage purposes, could be classified in items 169.46 and 169.47 when imported from Ireland, if not more specifically provided for elsewhere.

^{2/} A wine gallon is a U.S. gallon of liquid measure equivalent to 231 cubic inches.

Table 2.--Spirits from Ireland: U.S. rates of duty
(Per proof gallon)

TSUS item No.	Description	Col. 1 rate	Col. 2 rate
168.96	: Cordials, liqueurs, Kirschwassers and ratafia:		
	: In containers each holding not over 1 gallon-----	50¢	\$11.64
168.98	: In containers each holding over 1 gallon-----	50¢	\$5.00
169.19	: Whisky:		
	: Irish and Scotch:		
	: In containers each holding not over 1 gallon-----	43¢	\$7.52
169.20	: In containers each holding over 1 gallon-----	43¢	\$5.00
	: Other spirits and preparations in chief value of distilled spirits, fit for use as beverages or for beverage purposes:		
	: Spirits:		
169.46	: In containers each holding not over 1 gallon-----	\$2.56	\$6.72
169.47	: In containers each holding over 1 gallon-----	\$1.25	\$5.00

Note.--There have been no imports from Ireland in recent years under TSUS item 169.46 or 169.47

The five largest domestic whiskey producers and their leading brand-name products are as follows:

- (1) Seagram's & Sons, Inc., New York, N.Y.
 - (a) Seagram's 7-Crown
 - (b) Kessler
 - (c) Calvert Extra
- (2) Brown-Foreman Distillers, Inc., Louisville, Ky.
 - (a) Jack Daniels
 - (b) Early Times
 - (c) Old Forester
- (3) Jim Beam Distilling, Inc., Chicago, Ill.
 - (a) Jim Beam
 - (b) Beam Sour Mash
- (4) Hiram Walker, Inc., Detroit, Mich.
 - (a) Ten High
 - (b) Imperial
 - (c) Walker Deluxe Whisky
- (5) Schenley Industries, Inc., New York, N.Y.
 - (a) Ancient Age
 - (b) Old Charter
 - (c) I.W. Harper

U.S. producers' liqueurs and cordials

There are currently eight U.S. establishments producing liqueurs, cordials, and other miscellaneous compounded liquors. Products produced by these eight establishments are bottled and/or processed by 44 domestic establishments. According to industry sources, the largest domestic producers of liqueurs and cordials and their leading brand-name products are as follows:

- (1) Heublein, Inc., Hartford, Conn.
 - (a) Arrow Cordials
 - (b) Club Cocktails
- (2) Hiram Walker, Inc., Detroit, Mich.

Hiram Walker Cordials
- (3) Schenley Industries, Inc., New York, N.Y.

Dubocet Cordials
- (4) Seagram's & Sons, Inc., New York, N.Y.

Le Roux Cordials
- (5) Brown-Foreman Distillers, Louisville, Ky.

Southern Comfort

All of the domestically produced liqueurs or cordials compared (except Southern Comfort, Praline, and Wild Turkey liqueur) are priced substantially below the prices of imported Irish liqueurs at the retail level.

U.S. importers' Irish whisky

There are currently seven major importers of Irish whisky. Their names, respective brands, and the number of cases sold in 1980 are as follows:

<u>Company and location</u>	<u>Brand name</u>	<u>Number of cases sold 1/ in 1980</u>
(1) Seagram's & Sons, Inc. New York, N.Y.	Jameson	***
(2) Brown-Foreman Corp. Louisville, Ky.	Bushmill <u>2/</u>	***
(3) Austin-Nichols & Co. Lawrenceberg, Ky.	Murphy's Paddy's	*** ***
(4) Heublein Corp. Hartford, Conn.	Tullamore Dew <u>3/</u>	***
(5) American Distilling Co. Baltimore, Md.	Dunphy's	***
(6) Schenley Industries, Inc. New York, N.Y.	John Power's	***
(7) William Grant & Son's New York, N.Y.	Buena Vista (private label)	***

1/ * * * .

2/ Bushmills' is an Irish whisky, product of the Irish Distillers Group, but distilled in Northern Ireland and bottled for domestic consumption and export in the Republic of Ireland.

3/ * * * .

Except for the private-label Buena Vista brand, all of the above brands of Irish whisky are imported by major U.S. producers of domestic whisky. * * * * .

U.S. Importers' Irish liqueurs

The five largest importers of liqueurs from Ireland, along with their respective product brand names are as follows:

- (1) Paddington Corp., New York, N.Y.
Bailey's Irish Cream
- (2) Heublein, Inc., Hartford, Conn.
Irish Mist
- (3) Renfield Importers, Inc., New York, N.Y.
Carolans Irish Cream
- (4) Bacardi Importers, Inc., Elmhurst, N.Y.
O'Darby's Cream
- (5) All World Brands, Carteret, N.J.
Irish Velvet

Currently, the Irish cream liqueurs account for a large majority of all imported liqueurs from Ireland. Prior to the introduction of the cream liqueurs in 1979, Irish Mist (honey and Irish whisky) and Irish Velvet (coffee and Irish whisky) liqueurs accounted for a majority of imported Irish liqueur sales. * * *. There is one U.S.-made Irish cream liqueur, Dunphy's, which is made from imported Irish whisky and then blended with a dairy cream agent in Baltimore, Md.

U.S. Market

Whisky

Total U.S. consumption of whisky (including bourbon, sour mash, American blends, rye and imported Scotch, and Canadian and Irish whisky) increased from 204 million gallons in 1977 to 215 million gallons in 1978 and then fell back to 205 million gallons in 1979, as shown in the following tabulation (1,000 proof gallons):

Period	Domestic shipments	Imports for consumption	Apparent U.S. consumption
1977-----	113,097	91,224	204,321
1978-----	113,550	101,886	215,436
1979-----	109,829	95,396	205,225
January-September--	:	:	:
1979-----	76,278	62,266	138,544
1980-----	71,363	58,502	129,865

1/ New York Times, May 17, 1981.

In January-September 1980, total U.S. consumption of whisky declined by 7 percent from consumption during the corresponding period of 1979. According to industry sources, the decline in total U.S. consumption of whisky during the 1978-80 period is primarily due to increased popularity of rum, vodka, wine, beer, and mineral water, as substitutes for the brown whiskies. (See tables K-1 and app. K.)

Liqueurs and cordials

Total U.S. consumption of liqueurs and cordials increased from 31.1 million gallons in 1977 to 37.6 million gallons in 1979, as shown in the following tabulation (1,000 proof gallons):

Period	Domestic shipments	Imports for consumption	Apparent U.S. consumption
1977-----	25,500	5,585	31,085
1978-----	30,132	7,370	37,502
1979-----	29,592	7,982	37,574
January-September			
1979-----	25,009	5,211	30,220
1980-----	26,723	4,851	31,574

During January-September 1980, the total U.S. market for liqueurs and cordials increased by 4 percent over that in the corresponding period in 1979.

Consideration of Injury or Likelihood Thereof

In this investigation the Commission did not send questionnaires to the U.S. whisky or liqueur and cordial industries. Therefore, all of the information presented in the following sections are based upon data compiled by the Distilled Spirits Council of the United States, official statistics of the U.S. Department of Commerce, and other public sources. The annual statistical review of the Distilled Spirits Council does not include data on U.S. capacity, capacity utilization, profit and loss, or pricing. Accordingly, these sections, except for pricing, have been omitted from the staff report. Furthermore, the Distilled Spirits Council does not keep complete industry trade data on the liqueur and cordial market. Some retail pricing data were obtained from an informal survey of liquor stores in the Washington, D.C., area. These data are presented in the pricing section of this report.

U.S. production, shipments, and exports

U.S. production of whisky increased irregularly by 28 percent during 1976-79 (table 3). Production rose from approximately 79.1 million gallons in

1976 to 80.6 million gallons in 1977, reflecting an increase of 1.9 percent. Production declined by almost the same amount during 1978, with a decrease of 1.5 million gallons, or 1.8 percent, over the period. In 1979, production jumped by 27.9 percent to over 101 million gallons. Production fell by 19 percent in January-October 1980 compared with production in the corresponding period of 1979. Whisky distillation or production accounted for 54.3 percent of all U.S. production of distilled spirits in 1979.

U.S. producers' shipments of whisky declined steadily throughout 1976-79, from 115 million gallons in 1976 to 110 million gallons in 1979. In January-September 1980, domestic shipments declined by almost 5 million gallons from those in the corresponding period of 1979. It should be noted that shipments have exceeded domestic production in recent years because of large inventories held by U.S. whisky producers, which the producers have been reducing substantially, as shown in table 3.

Table 3.--Whisky: U.S. production and shipments, 1976-79, January-October 1979 and January-October 1980

(In thousands of proof gallons)				
Period	:	Production	:	Shipments
1976-----	:	79,119	:	115,140
1977-----	:	80,597	:	113,097
1978-----	:	79,151	:	113,550
1979-----	:	101,267	:	109,829
January-October	:	:	:	:
1979-----	:	87,115	:	76,278
1980-----	:	70,576	:	71,363
	:	:	:	:

Source: Compiled from data prepared by the Distilled Spirits Council of the United States.

U.S. exports of whisky decreased from 5.4 million gallons in 1975 to 4.3 million gallons in 1980, or by 20.6 percent, as shown in table 4. U.S. exports of whisky constituted 55.8 percent of all U.S. exports of distilled spirits for 1979.

Table 4.--Whisky, U.S. exports, 1975-80

Year	Proof gallons	Gallonage change	Percentage change from previous year
: -----1,000 gallons-----			
1975	5,356	-	-
1976	4,737	(619)	(11.6)
1977	4,770	33	.7
1978	4,829	59	1.2
1979	4,598	(231)	(4.8)
1980	4,253	(345)	(8.1)

Source: Compiled from data prepared by the Distilled Spirits Council of the United States.

U.S. inventories

U.S. inventories of whisky decreased steadily from 737.4 million gallons in 1975 to 581.1 million gallons in 1979, or by 21.2 percent, during the same period (table 5). The largest single-year decline occurred during 1976, when inventories fell by 45 million gallons, or by 6.1 percent.

Inventories of whisky fluctuate depending upon the time of year. For example, the October 1979 inventory exceeds the 1979 yearend inventory by over 8 million gallons.

Table 5.--Whisky: End-of-period inventories, 1975-79, January-October 1979, and January-October 1980

Period	Inventory	Production	Ratio of inventory to production
: -----1,000 proof gallons-----			: <u>Percent</u>
1975	737,393	59,637	1,236.5
1976	692,343	79,119	875.1
1977	649,003	80,597	805.2
1978	600,615	79,151	758.8
1979	581,159	101,267	573.9
January-October--			
1979	589,744	87,115	677.0
1980	559,610	70,576	792.9

Source: Compiled from data of the Distilled Spirits Council of the United States.

Inventories of whisky are consistently more than five times the gallonage of whisky production, since most whiskies must be aged from 3 to 8 years. The age composition of whisky inventories changed slightly from 1978 to 1979, 35 percent of the inventories were less than 2 years old in 1979, the corresponding ratio for 1978 was 27 percent.

U.S. imports of whisky

Ireland, Canada, and the United Kingdom supply nearly 100 percent of the total volume of whisky imported by the United States. U.S. imports of whisky from Ireland in containers not over 1 gallon increased each year, from 84,000 gallons in 1978 to 100,000 gallons in 1980, representing a 19-percent increase over the 3-year period (table 6). During January-March 1981, U.S. imports of Irish whisky increased slightly over imports during the corresponding period of 1980.

During January-March 1981, imports of whisky from the United Kingdom (Scotch) in containers not over 1 gallon plummeted by 31 percent, from 34 million gallons in 1978 to 23 million gallons in 1980. In contrast, imports of whisky from Canada in containers not over 1 gallon declined only moderately from 20.5 million gallons in 1978 to 18.2 million gallons in 1980 (table 7). According to industry sources, the decline in imports of Scotch whisky has been due, at least in part, to high interest rates, which have made it less profitable for importers to hold large inventories.

U.S. imports of whisky from Ireland in containers over 1 gallon increased from 335,000 gallons in 1978 to 380,000 gallons in 1979, but then fell to 290,000 gallons in 1980. Scotch whisky imports from the United Kingdom in containers over 1 gallon declined by 8 percent during the same period (table 8), and imports of whisky from Canada in containers over one gallon, also declined moderately, from 27.3 million gallons in 1978 to 26.4 million gallons in 1980 (table 9). Total imports of whisky in containers over 1 gallon from all countries fell by about 9 percent during the period.

U.S. Imports of cordials or liqueurs

Imports of liqueurs from Ireland increased by 363 percent during the 1978-80 period, from 70,000 gallons in 1978 to 324,000 gallons in 1980. In January-March 1981, imports of liqueurs from Ireland increased by 80 percent over those in the corresponding period of 1980 (table 10). Virtually all of the liqueur from Ireland is imported in containers holding less than 1 gallon. Despite the relatively high retail prices of Irish cream liqueur imports, industry sources expect the quantity of such imports to more than double in 1981 because of their rising popularity. However, total imports of liqueurs or cordials in containers holding not over 1 gallon declined from 3.9 million gallons in 1978 to 3.4 million gallons in 1980. In 1980, Irish liqueur imports accounted for 1 percent of total liqueur and cordial imports in containers holding not over 1 gallon.

Table 6.—Irish and Scotch whisky, in containers each not over 1 gallon (TSUS item 169.19): U.S. imports for consumption, by principal sources, 1978-80, January-March 1980, and January-March 1981

Source	1978	1979	1980	January-March 1980	January-March 1981
	Quantity (proof gallon)				
Ireland	83,708	98,410	100,014	32,009	33,291
United Kingdom	34,120,368	30,485,550	23,364,005	5,216,211	5,287,058
All other	4,095	0	51	0	609
Total	34,208,171	30,583,960	23,464,070	5,248,220	5,320,958
	Value (1,000 dollars)				
Ireland	694	990	1,561	440	522
United Kingdom	831,372	340,662	351,608	70,880	84,869
All other	30	9	9	-	73
Total	332,096	341,652	353,178	71,320	85,464

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 7.--Whisky except Irish and Scotch, in containers each not over 1 gallon (TSUS item 169.21):
U.S. imports for consumption, by principal sources, 1978-80, January-March 1980, and
January-March 1981

Source	1978	1979	1980	January-March 1980	January-March 1981
	Quantity (proof gallon)				
Canada	20,524,830	20,654,360	18,027,619	3,214,524	3,741,524
Japan	24,761	15,588	3,588	633	2,360
Poland	9,049	0	0	0	128
All other	0	1,357	428	418	87
Total	20,558,640	20,671,305	18,031,635	3,215,575	3,744,099
	Value (1,000 dollars)				
Canada	170,622	179,848	188,176	32,079	42,606
Japan	272	192	70	31	45
Poland	52	-	-	-	2
All other	-	47	11	10	1/
Total	170,946	180,087	188,257	32,120	42,653

1/ Less than \$500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 8.--Irish and Scotch Whisky, in containers each over 1 gallon (TSUS item 169.20): U.S. imports for consumption, by principal sources, 1978-80, January-March 1980, and January-March 1981

Source	1978	1979	1980	January-March 1980	January-March 1981
	Quantity (proof gallon)				
Ireland	334,826	380,152	289,677	99,705	138,776
United Kingdom	19,496,098	17,849,922	17,771,719	3,716,747	4,012,312
All other	0	6,497	0	0	0
Total	19,830,924	18,236,571	18,061,396	3,816,452	4,151,088
	Value (1,000 dollars)				
Ireland	2,835	3,462	3,198	1,007	1,573
United Kingdom	59,548	67,326	78,572	15,912	19,373
All other	-	9	-	-	-
Total	62,383	70,797	81,770	16,919	20,946

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 9.--Whisky except Irish and Scotch, in containers each over 1 gallon
(TSUS item 169.22): U.S. imports for consumption from Canada 1978-80,
January-March 1980, and January-March 1981

Period	Quantity	Value
	<u>Proof gallon</u>	<u>1,000 dollars</u>
1978-----	27,287,846	69,508
1979-----	25,904,744	69,391
1980-----	26,443,126	70,368
January-March--		
1980-----	4,680,746	12,358
1981-----	5,990,299	16,806

Source: Compiled from official statistics of U.S. Department of Commerce.

Table 10.—Cordons and liqueurs, in containers each not over 1 gallon (TSUS item 168.96):
U.S. imports for consumption, by principal sources, 1978-80, January-March 1980, and
January-March 1981

Source	1978	1979	1980	January-March 1980	January-March 1981
	Quantity (proof gallon)				
Ireland	70,001	149,303	324,008	81,707	147,380
France	1,192,214	1,143,794	1,077,053	271,637	303,612
Italy	1,192,038	1,116,394	826,019	255,032	200,096
United Kingdom	897,323	850,584	602,842	118,356	181,781
Greece	232,081	201,778	218,859	41,019	16,373
Mexico	30,462	92,060	91,157	58,164	30,771
Japan	33,308	68,543	67,579	2,874	17,015
Canada	57,985	48,924	41,490	19,979	3,038
West Germany	31,842	44,842	47,997	12,993	34,242
All other	163,063	182,310	137,826	43,897	75,175
Total	3,915,307	3,898,532	3,434,830	905,658	1,009,483
	Value (1,000 dollars)				
Ireland	1,187	2,626	15,391	3,103	7,788
France	22,591	26,952	33,415	7,859	9,724
Italy	13,971	13,967	14,834	3,560	4,024
United Kingdom	14,348	14,340	16,082	2,549	5,276
Greece	2,338	2,012	2,880	466	205
Mexico	426	940	1,100	453	451
Japan	394	744	1,774	72	446
Canada	473	493	382	133	41
West Germany	492	819	1,180	283	563
All other	1,912	2,157	2,539	675	1,258
Total	57,882	65,050	89,577	19,153	29,776

Source: Compiled from official statistics of the U.S. Department of Commerce.

In 1978 and 1980, there were no imports of liqueurs or cordials from Ireland in containers holding over 1 gallon. Total imports of liqueurs and cordials in containers holding over 1 gallon increased from 3.5 million gallons in 1978 to 4.1 million gallons in 1979, but then declined to 3.9 million gallons in 1980. Mexico is by far the largest exporter of bulk liqueurs and cordials to the United States (table 11). Overall, in 1980, Ireland accounted for less than 0.5 percent of total imports of liqueurs and cordials in all sizes of containers.

As previously stated, there are no imports from Ireland of other spirits fit for use as beverages (TSUS items 169.46 and 169.47). Import statistics for such imports are set forth in table K-4.

Consideration of the Causal Relationship Between the Subsidized Imports and the Alleged Injury

Market penetration by the subsidized imports

Whisky.--Irish whisky increased its tiny share of the U.S. whisky market during 1977-79, from 0.15 percent in 1977 to 0.23 percent in 1979 (table 12). During the same period, all imported whisky slightly increased its share of the U.S. market, from 45 percent in 1977 to 46 percent in 1979. In January-March 1980, imported whisky maintained the same market share as that in the corresponding period of 1979. The 18.5-percent decline in total Irish whisky imports in 1980 (from 479,000 gallons in 1979 to 390,000 gallons in 1980) may be largely due to the discontinuance of imports of the Tullamore Dew brand of Irish whisky in 1980.

Liqueurs and cordials.--U.S. imports of Irish liqueurs irregularly increased their share of the U.S. market from 0.24 percent in 1977 to 0.42 percent in 1979 (table 13). In January-March 1980, U.S. imports of Irish liqueur increased their share of the U.S. market to 0.60 percent from 0.39 percent in the corresponding 1979 period. This increase, which is expected to continue in 1981, is due to the increasing popularity of the high-priced Irish cream liqueurs.

Total imports of liqueurs and cordials have also increased their share of the U.S. liqueur and cordial market, from 18 percent in 1977 to 21.2 percent in 1979. However in January-March 1980, total imports of liqueurs and cordials declined as a share of the U.S. liqueur and cordial market from the amount in the corresponding period of 1979.

Retail price comparisons

The Commission's staff checked retail prices at several Washington area liquor stores in early June.

Irish whiskies ranged in price from \$7.99 to \$9.97 per 750-milliter bottle (still called a fifth), as shown in table 14. The average price was \$8.98 per bottle. Competing premium liquors, as listed on page A-5 of this report, ranged in price from \$7.99 to \$9.79 for those sold in 750-milliter

Table 11.--Cordials and liqueurs, in containers each over 1 gallon (TSUS item 168.98):
U.S. imports for consumption, by principal sources, 1978-80, January-March 1980, and
January-March 1981

Source	1978	1979	1980	January-March 1980	January-March 1981
	Quantity (proof gallon)				
Mexico	1,691,268	2,142,269	1,878,810	420,716	422,717
Italy	849,345	952,771	858,332	107,709	128,550
Canada	326,822	472,424	568,348	127,279	133,396
Jamaica	294,994	223,701	359,057	35,319	11,029
France	174,249	185,118	102,118	37,044	40,563
Netherlands	15,773	35,420	47,415	5,883	4,477
Denmark	24,595	24,931	15,060	5,171	0
Israel	14,646	15,990	7,088	2,601	650
Ireland	0	819	0	0	825
All other	63,223	22,479	32,352	9,860	14,020
Total	3,854,215	4,075,882	3,868,580	751,582	756,227
	Value (1,000 dollars)				
Mexico	7,710	11,848	11,112	2,458	2,693
Italy	6,449	7,690	7,248	669	943
Canada	943	1,371	1,618	343	385
Jamaica	4,131	3,411	5,176	545	198
France	696	838	542	220	273
Netherlands	94	284	433	62	38
Denmark	458	460	299	118	-
Israel	155	167	81	28	8
Ireland	137	-	-	-	21
All other	367	253	427	101	95
Total	20,803	26,459	26,936	4,544	4,654

Source: Compiled from official statistics of U.S. Department of Commerce.

Table 12.--Whisky: U.S. shipments, imports by selected countries, and apparent consumption, 1977-79, January-September 1979, and January-September 1980

Period	U.S. shipments	Imports 1/				From all other countries	Total	Apparent U.S. consumption	Ratio of all imports to consumption	Ratio of imports from Ireland to consumption
		From Ireland	From Canada	From Great Britain	From 1,000 gallons					
1977	113,097	303	43,490	47,616	46	91,155	204,252	45	0.15	
1978	113,550	419	47,813	53,616	38	101,886	215,436	47	.19	
1979	109,829	479	46,559	48,335	23	95,396	205,225	46	.23	
January-September 1979	76,278	342	29,590	32,322	12	62,266	138,544	45	.25	
1980	71,363	280	29,383	28,837	2	58,502	129,865	45	.23	

1/ Includes total imports regardless of the size of the container. Previous tables categorize imports by container sizes.

Source: Compiled from official statistics of the U.S. Department of Commerce and trade data submitted by the Distilled Spirits Council of America.

www.nuance.com
Create! 6 Trial

Table 13. Cordials and liqueurs: U.S. shipments and imports, 1977-79, January-September 1979, and January-September 1980

Period	U.S. shipments	Imports		Apparent consumption	Ratio of--	
		From Ireland	Total		Total imports to consumption	Imports from Ireland to consumption
					Percent	Percent
1977	25,500	74	5,585	31,085	18.0	0.24
1978	30,132	70	7,370	37,502	19.7	.19
1979	29,592	158	7,982	37,574	21.2	.42
January-September 1979	25,009	117	5,211	30,220	17.2	.39
1980	26,723	188	4,851	31,574	15.4	.60

Source: Compiled from official statistics of the U.S. Department of Commerce, and trade data submitted by the Distilled Spirits Council of America.

bottles. Several of the premium liquors were sold only in liter bottles, at \$9.99 to \$12.19 per liter. The retail comparison confirms that the premium whisky cited by industry sources as being the most competitive with Irish whisky does in fact sell within the same price range.

The bulk of whisky sold, however, is not in the premium-price category, but the popular brands listed on page A-10 of this report. These range in price from \$4.99 to \$5.99 per 750-milliter bottle, as shown on table 14. The popular brands are thus priced well below most Irish whiskies and will still be below them in price if the duty is removed.

Table 15 shows retail price comparisons for Irish and domestic liqueurs and cordials. The Irish cream liqueurs sold at a much higher price than most domestic liquors and cordials, despite their much lower proofs.

PDF Create! 6 Trials
www.nuance.com

Table 14.--Irish whisky and competing imported and domestic whiskies:
Retail comparisons as of June 3, 1981

Item	750-milliliter bottle		1-liter bottle	
	Price	Proof	Price	Proof
Irish whisky:				
Jamesons-----	\$8.67	80	\$10.29	80
Bushmills 1/-----	9.97	80	-	-
Murphys-----	7.99	80	-	-
Paddy's-----	9.39	80	-	-
Powers-----	9.49	80	-	-
Tullamore Dew-----	-	-	<u>2/</u> 11.99	80
Dunphy's-----	8.49	80	-	-
Weighted average unit value-----	\$8.98	-	-	-
Super premium whisky:				
Scotch:				
Chivas Regal-----	\$12.99	86	\$16.39	86
Johnny Walker Black-----	\$12.95	86.8	\$16.39	86.8
Haig & Haig Pinch Bottle-----	\$11.99	86	-	-
Canadian:				
Crown Royal-----	\$11.49	80	\$15.49	80
Order of Merit-----	\$10.99	80	-	-
Domestic:				
Old Grand Dad Bonded-----	\$13.49	114	-	-
Wild Turkey-----	\$9.79	101	-	-
Premium whisky:				
Scotch:				
Cutty Sark-----	8.99	86	10.99	86
J & B-----	8.99	86	11.59	86
Johnny Walker Red-----	8.99	86	12.19	86
Canadian:				
Canadian Club-----	7.99	86.8	10.69	86.8
Seagram's V.O.-----	7.99	86.8	9.99	86.8
Domestic:				
Wild Turkey-----	8.49	86	-	-
Jack Daniel's Green-----	7.19	86	9.99	86
Jack Daniel's Black-----	8.99	90	11.19	90
Top-selling domestic brands:				
Jim Beam-----	-	-	6.19	80
Ten High-----	4.99	80	-	-
Imperial-----	4.99	80	-	-
Walker Deluxe Bourbon-----	5.99	80	-	-
Ancient Age-----	5.59	86	-	-
Old Charter-----	5.99	86	7.49	86
I. W. Harper-----	5.99	86	7.69	86

1/ Distilled in Northern Ireland and bottled in the Republic of Ireland.

2/ Sales from inventory.

Source: Compiled from data obtained from an informal survey of Washington area liquor stores conducted in early June 1980.

Table 15.--Irish cordials and liqueurs and selected domestic cordials and liqueurs: Price comparisons at retail as of June 3, 1981

Item	750-milliliter bottle	
	Price	Proof
Irish:		
Bailey's Cream-----	\$11.99 :	34
Carolán Cream-----	11.99 :	34
O' Darby Cream-----	11.99 :	34
Irish mist-----	13.99 :	70
Irish Velvet 1/-----	9.79 :	46
Domestic:		
American Distilling Co.:		
Dunphy's Irish Cream-----	8.49 :	34
Heublein:-----		
Arrow:-----	5.69 :	54
Honey Dew Melon liqueurs-----	4.99 :	50
Chocclair liqueur-----	5.69 :	54
Caramela liqueur-----	5.69 :	54
Iced Tea liqueur-----	5.29 :	60
Hiram Walker-----		
H. W. Cordials:	5.59 :	60
Red Anisette-----	5.29 :	60
Anisette-----	5.29 :	60
Chocolate Cherry-----	6.89 :	54
Chocoalte Mint-----	6.89 :	54
Swiss Chocolate Almond-----	6.89 :	54
Amareto-----	7.19 :	50
Orange Curacao-----	5.99 :	60
Creme de Casis-----	5.49 :	40
Creme de Mente-----	5.29 :	60
Creme de Cacao-----	5.99 :	54
Seagrams:		
LeRoux cordials:	4.79 :	35
Red Anisette-----	4.69 :	60
Anisette-----	4.69 :	60
Coffee Amaretto-----	6.49 :	50
Chocolate Amaretto-----	6.49 :	50
Rock and Rye-----	4.99 :	60
Creme de Casis-----	5.29 :	40
Creme de Banana-----	5.39 :	60
Sloe Gin-----	4.79 :	60
Creme de Cacao-----	5.59 :	54
Orange Curacao-----	5.29 :	54
Brown & Foreman:		
Southern Comfort-----	7.49 :	86
Wild Turkey cordials-----	11.99 :	-
Praline Emporium Co.:		
Praline-----	9.25 :	40

1/ 500-milliliter bottle.

Source: Compiled from data obtained from an informal survey of Washington area liquor stores conducted in early June 1980,

APPENDIX A

EUROPEAN COMMUNITIES' LETTER TO THE COMMISSION,
RECEIVED MARCH 28, 1980

PDF Create! 6 Trial
www.nuance.com

DELEGATION OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

March 28, 1980

Mr. Kenneth R. Mason
 Secretary
 International Trade Commission
 701 E Street, N.W.
 Washington, D.C. 20436

RECEIVED

MAR 28 1980

OFFICE OF THE SECRETARY
 U.S. INTL. TRADE COMMISSION

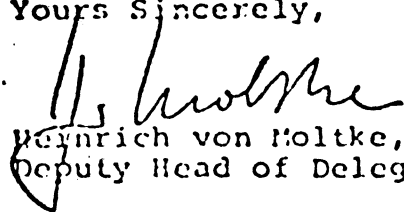
Dear Sir:

The Delegation of the Commission of the European Communities has the honour of referring to the relevant provisions of the Trade Agreements Act of 1979 and to the Notice published in the Federal Register of March 14, 1980, by the International Trade Commission.

Accordingly, we respectfully request the inclusion in the schedule to be established on or about April 30, 1980, for the conduct of investigations pursuant to section 104 (b) of the Trade Agreements of 1979 of the following products originating in Member States of the European Communities:

BE Barley: France
 Fr Molasses: France
 BE Spirits: Ireland, U.K.
 Fr Sugar: E.C.
 Lech Certain Steel Products: Italy
 Feather Chains and Parts: Italy
 Mach Compressors and Parts: Italy
 Mach Die Presses: Italy
 Lech Float Glass: Italy
 Mach Refrigerators, Freezers and Parts: Italy
 Feather Screws: Italy
 Mach Ski Lifts and Parts: Italy
 Lech Steel Units for Electrical Transmission Towers: Italy
 Feather Steel Welded Wire Mesh: Italy

Yours Sincerely,


 Heinrich von Holtke,
 Deputy Head of Delegation

30

Requests received by the ITC for countervailing duty investigations under section 104 of the Trade Agreements Act of 1979 (January 15-March 31, 1980)

Article	Country of exportation	Identity of requester	Status of requester	Actual date request received	Starting date for request
Chains and parts, of iron or steel	Italy	A. Harvey M. Applebaum, of Covington & Burling for Acciaierie Weissenfels S.p.A. and Weissenfels Inc.	A. Italian producer and exports	A. January 11, 1980	A. January 11, 1980
		B. Delegation of the Commission of the European Communities	B. Foreign government	B. March 28, 1980	B. See A above.
Fabricated structural steel units for the erection of electrical transmission towers	Italy	A. Graubard, Moskowitz and McCauley for Societa Anonima Elettroficazione S.p.A., Milano, Italy	A. Italian exporter	A. March 27, 1980	A. March 27, 1980
		B. Delegation of the Commission of the European Communities	B. Foreign government	B. March 28, 1980	B. See A above
Barley	France	Delegation of the Commission of the European Communities	Foreign government	March 28, 1980	March 28, 1980
		Delegation of the Commission of the European Communities	Foreign government	March 28, 1980	March 28, 1980
Yolasse	France	Delegation of the Commission of the European Communities	Foreign government	March 28, 1980	March 28, 1980
		Delegation of the Commission of the European Communities	Foreign government	March 28, 1980	March 28, 1980

Requests received by the ITC for countervailing duty investigations under section 104 of the Trade Agreements Act of 1979 (January 15-March 31, 1980)

Article	Country of exportation	Identity of requester	Status of requester	Actual date request received	Starting date for request
Spirits	Ireland	Delegation of the Commission of the European Communities	Foreign government	March 28, 1980	March 28, 1980
Spirits 1/	United Kingdom	Delegation of the Commission of the European Communities	Foreign government	March 28, 1980	1/
Certain steel products	Italy	Delegation of the Commission of the European Communities	Foreign government	March 28, 1980	March 28, 1980
Compressors and parts	Italy	Delegation of the Commission of the European Communities	Foreign government	March 28, 1980	March 28, 1980
Die presses	Italy	Delegation of the Commission of the European Communities	Foreign government	March 28, 1980	March 28, 1980
Float glass	Italy	Delegation of the Commission of the European Communities	Foreign government	March 28, 1980	March 28, 1980
Refrigerators, freezers, and parts	Italy	Delegation of the Commission of the European Communities	Foreign government	March 28, 1980	March 28, 1980

A-32

See footnotes at end of table.

APPENDIX B

U.S. INTERNATIONAL TRADE COMMISSION'S LETTER NOTIFYING
THE U.S. DEPARTMENT OF COMMERCE OF THE RECEIPT OF
A REQUEST FOR AN INVESTIGATION (APR. 2, 1980)

PDF Create! 6 Trial
www.nuance.com

UNITED STATES
INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C. 20436

OFFICE OF THE SECRETARY

APRIL 2, 1980

Mr. John Greenwald
Deputy Assistant Secretary of Commerce
for Import Administration
U.S. Department of Commerce
14th & Constitution Ave., NW. -- Rm. 3808
Washington, D.C. 20230

Dear Mr. Greenwald:

This is to notify you pursuant to section 104(b)(3) of the Trade Agreements Act of 1979 (the "Act") that the Commission has received the requests listed in the attachment with respect to countervailing duty orders specified in section 104(b)(1) of the Act that it commence an investigation to determine whether an industry in the United States would be materially injured or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, by reason of imports of the merchandise covered by any such countervailing duty order if the order were to be revoked. The Commission, which has not yet scheduled its investigations pursuant to section 104(b)(2) of the Act, will notify you of any additional requests it receives for such investigations.

Sincerely,

Kenneth R. Mason
Secretary

Enclosures

Requests received by the ITC for countervailing duty investigations under section 104 of the Trade Agreements Act of 1979 (January 15-March 31, 1980)

Article	Country of exportation	Identity of requester	Status of requester	Actual date request received	Starting date for request
12. Screws	Italy	Delegation of the Commission of the European Communities	Foreign Government	March 28, 1980	March 28, 1980
13. Ski lifts and parts	Italy	Delegation of the Commission of the European Communities	Foreign Government	March 28, 1980	March 28, 1980
14. Steel welded wire mesh	Italy	Delegation of the Commission of the European Communities	Foreign Government	March 28, 1980	March 28, 1980
15. Certain textiles and textiles products 2/	Pakistan	Kirkwood, Kaplan, Russin & Vecchi for export Promotion Bureau of the Government of Pakistan	Foreign Government	March 31, 1980	March 31, 1980

1/ The request regarding spirits from the United Kingdom may be erroneous. According to Customs notice published in the Federal Register of February 15, 1977 (42 F.R. 9168), the Treasury Department has determined that bounties and grants are no longer being paid or bestowed on the exportation of spirits from Great Britain, and countervailing duties were not to be collected on such imports on or after February 15, 1977.

2/ This request covers textiles from Pakistan covered by Treasury's final countervailing duty determination of July 13, 1979 (44 F.R. 40884) which covers different Government of Pakistan programs than those covered by Commerce's preliminary countervailing duty determination published in the Federal Register of March 26, 1980 (45 F.R. 19593), although the products involved are similar.

PDF Create! 6 Trial
www.nuance.com

APPENDIX C

U.S. DEPARTMENT OF COMMERCE'S FEDERAL REGISTER NOTICE OF
ITS INTENTION TO CONDUCT AN ANNUAL ADMINISTRATIVE
REVIEW OF ALL COUNTERVAILING DUTY ORDERS
(45 F.R. 31445), MAY 13, 1980

beginning on the anniversary of the date of publication of all orders under section 303 or Title VII of the Tariff Act of 1930, as amended (93 Stat. 150). Current countervailing duty orders and their dates of publication are listed in the Appendix to this notice. The administrative review of the orders listed in the Appendix will be completed by the anniversary in 1981 of the date of publication of the order.

Questionnaires are being, or will be, delivered to affected foreign embassies or manufacturers, producers or exporters, as appropriate. The responses will be analyzed, and then, in accordance with section 355.41(d) of the Commerce Regulations (19 CFR 355.41(d), 45 FR 4948), the parties to the proceeding can request disclosure of the nonconfidential information (or, pursuant to an administrative protective order, of confidential information) on the basis of which the determination will be made. Where disclosure is requested, it will be made generally about 30 days prior to the date a notice of review is published. Written views may be presented, and an opportunity to present oral views may be requested, by any party to whom disclosure was made. After providing an opportunity for comment by interested parties, the Department of Commerce will publish in the Federal Register the results of such review, together with notice of any countervailing duties to be assessed and estimated countervailing duties to be deposited.

This notice is published pursuant to section 751(a)(1) of the Act (93 Stat. 175, 19 U.S.C. 1675(a)(1)).
 John D. Greenwald,
 Deputy Assistant Secretary Import Administration,
 May 7, 1980.

Appendix.—Countervailing Duty Orders

Dates and Commodity	Country
1/2/80—Ferroalloys	Spain
1/5/78—Butter coolers	Denmark
1/5/79—Fish	Canada
1/7/78—Float glass manufactured by Fabbrica Pisani S.p.A.	Italy
1/8/73—X-radial steel belted tires manufactured by Michelin Tire Manufacturing Co. of Canada, Ltd.	Canada
1/8/78—Emmentaler and Gruyere cheese	Switzerland
1/8/79—Optic liquid level sensing systems manufactured by Honeywell Ltd.	Canada
1/9/76—Footwear	Republic of Korea
1/12/79—Bicycle tires and tubes produced by Korea Inoue Kasei Co., Ltd.	Republic of Korea
1/17/79—Non-rubber footwear	Argentina
1/24/78—Chains and parts thereof, of iron or steel	Spain
2/11/77—Certain scissors and shears	Brazil
2/22/78—Sugar	United Kingdom
2/28/78—Oleoresins	Spain
3/15/77—Cotton yarn	Brazil

Appendix.—Countervailing Duty Orders—Continued

Dates and Commodity	Country
3/16/76—Certain castor oil products	Brazil
3/22/79—Ampicillin trihydrate and its salts	Spain
4/9/77—Underground zinc	Spain
4/9/79—Oleoresins	India
4/13/77—Certain fish	Canada
4/16/68—Canned tomato paste	France
5/16/77—Certain fasteners	Japan
5/11/73—Refrigerators, freezers, other refrigeration equipment, and parts thereof	Italy
5/12/72—Tomato products	Greece
5/15/79—Viscose rayon staple fiber	Sweden
5/16/68—Canned tomatoes and canned tomato concentrates	Italy
5/19/75—Dairy products	European Community
5/21/67—Galvanized increased structural steel units for the erection of electrical transmission towers	Italy
6/3/77—Certain handbags	Republic of Korea
6/13/78—Fish	Canada
6/15/68—Certain steel products	Italy
6/17/72—Compressors and parts thereof	Italy
6/18/78—Cheese	Finland
6/19/71—Barley	France
6/19/71—Molasses	France
6/20/35—Sports	Ireland
6/28/68—Steel welded wire mesh	Italy
7/1/76—Cheese	Sweden
7/13/79—Certain textiles and textile products	Pakistan
7/28/74—De presses	Italy
7/27/79—Ampicillin trihydrate and its salts	Spain
7/31/78—Sugar	European Community
8/13/76—Cap screws, 1/4" in diameter and over, of iron or steel	Italy
8/19/54—Cordage	Cuba
8/22/79—Tomato products	European Community
8/24/78—Chains and parts thereof, of iron or steel	Japan
9/2/76—Glass beads not over six millimeters in diameter produced by Ceresphere Industries, Ltd.	Canada
9/12/74—Non-rubber footwear	Brazil
9/28/35—Butter	Denmark
10/5/28—Butter	Australia
10/11/77—Certain chains and parts thereof	Italy
10/25/74—Bottled green olives	Spain
10/25/74—Non-rubber footwear	Spain
10/26/79—Leather shoes and uppers	India
11/16/76—Vitamin K	Spain
11/16/78—Woolen garments	Argentina
12/1/75—Canned hams and canned shoulders	European Community
12/15/66—Skis and ski-lift parts	Italy
12/16/22—Sugar content of certain articles	Australia

[FR Doc. 80-14656 Filed 5-12-80; 8:45 am]
 BILLING CODE 3510-25-61

DEPARTMENT OF COMMERCE

International Trade Administration

Administrative Review of Countervailing Duty Orders

AGENCY: U.S. Department of Commerce.

ACTION: Notice of Administrative Review of Countervailing Duty Orders.

SUMMARY: This notice is to advise the public that the Department of Commerce will review and determine the amount of any countervailing duties at least once during the 12-month period beginning on the anniversary of the date of publication of all countervailing duty orders under section 303 of the Tariff Act of 1930, as amended, or under the Trade Agreements Act of 1979. Current orders and their dates of publication are listed in the Appendix to this notice. This notice is published pursuant to section 751 of the Tariff Act of 1930, as amended.

EFFECTIVE DATE: May 13, 1980.

FOR FURTHER INFORMATION CONTACT: Stephen Nyschot or Edward Haley, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Room 1126, Washington, D.C. 20230 (202-377-2209).

SUPPLEMENTARY INFORMATION: Pursuant to section 751(a)(1) of the Tariff Act of 1930, as amended (93 Stat. 175, 19 U.S.C. 1675(a)(1)), this notice is to advise the public that the Department of Commerce is conducting an administrative review of countervailing duty orders published under section 303 and Title VII of the Tariff Act of 1930, as amended. This review is to ascertain if benefits have been provided exporters or producers of the merchandise subject to the order and included within that determination (i.e., for each order, all entries, or withdrawals from warehouse, for consumption dated subsequent to the period covered by the last published annual review results, or, as a minimum, the last 12 month period) which are deemed subsidies pursuant to sections 771(5) and 771(6) of the Act (93 Stat. 177, 178; 19 U.S.C. 1677) and to determine the amounts, if any, of such net subsidies.

Section 751(a)(1) provides that administrative review take place at least once during the 12-month period

APPENDIX D

FEDERAL REGISTER NOTICE OF U.S. DEPARTMENT OF COMMERCE'S
PRELIMINARY RESULTS AND FINAL RESULTS OF
ADMINISTRATIVE REVIEW OF COUNTERVAILING
DUTY ORDER (46 F.R. 22632),
(46 F.R. 32963)

PDF Complete Trial
www.nuance.com

U.S.C. 1675 (a)(1), (c) and § 355.41 of the Commerce Regulations (19 CFR 355.41).

John D. Greenwald,
Deputy Assistant Secretary for Import Administration.

April 14, 1981.
[FR Doc. 81-11760 Filed 4-17-81; 8:45 am]
BILLING CODE 3510-25-M

Spirits From Ireland; Preliminary Results of Administrative Review of Countervailing Duty Order

AGENCY: International Trade Administration, Department of Commerce.

ACTION: Notice of preliminary results of administrative review of countervailing duty order.

SUMMARY: The Department of Commerce has conducted an administrative review of the countervailing duty order on spirits from Ireland. The review is based upon information for the period January 1, 1980, through December 31, 1980. As a result of this review, the Department has preliminarily determined the net amount of the subsidy to be 0.004 Irish pounds per liter of alcohol in plain spirits and 0.008 Irish pounds per liter of alcohol in compounded spirits. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: April 20, 1981.

FOR FURTHER INFORMATION CONTACT: Paul J. McGarr, Office of Compliance, Room 1126, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-2104).

SUPPLEMENTARY INFORMATION:

Procedural Background

On May 25, 1914, in T.D. 34466, the Department of the Treasury imposed countervailing duties, under section 4 of the Tariff Act of 1913, on certain classes of spirits imported directly or indirectly from the United Kingdom of Great Britain and Ireland. The additional duties, equivalent in value to export bounties paid by the Government of the United Kingdom, were 3 pence per gallon on "plain British spirits" and "spirits in the nature of spirits of wine" and 5 pence per gallon on "British compounded spirits".

On June 20, 1935, in T.D. 47753, the Department of the Treasury stated that countervailing duties continued to be applicable to spirits from Ireland, because the export bounties set forth in T.D. 34466 had been paid continuously since the date of the notice, notwithstanding the establishment of the Irish Free State.

Report Submitted in Confidence
On January 1, 1980, the provisions of title I of the Trade Agreements Act of 1979 ("the TAA") became effective. On January 2, 1980, the authority for administering the countervailing duty law was transferred from the Department of the Treasury to the Department of Commerce ("the Department"). On April 3, 1980, the International Trade Commission ("the ITC") notified the Department that an injury determination has been requested under section 104(b) of the TAA.

Therefore, following the requirements of that section, liquidation was suspended on April 3, 1980 on all shipments of spirits from Ireland (as defined below) entered, or withdrawn from warehouse, for consumption on or after that date. The Department published in the Federal Register of May 13, 1980 (45 FR 31455) a notice of intent to conduct administrative reviews of all outstanding countervailing duty orders. As required by section 751 of the Tariff Act of 1930 (19 U.S.C. 1303) ("the Tariff Act"), the Department has conducted an administrative review of the order on spirits from Ireland.

Scope of the Review

Imports covered by this review are plain spirits and compounded spirits from the Republic of Ireland. These imports are currently classifiable under items 168.95, 169.98, 169.19, 169.20, 169.46 and 169.47, Tariff Schedules of the United States. The review is based on information for the period January 1, 1980, through December 31, 1980.

Preliminary Results of the Review

As a result of our review, we preliminarily conclude that the imported merchandise benefits from a subsidy of 0.004 Irish pounds per liter of alcohol in plain spirits and 0.008 Irish pounds per liter of alcohol in compounded spirits. The Department has received official confirmation from the Government of Ireland that the subsidy amounts have remained unaltered apart from being denominated in decimal form and in pounds per liter of alcohol in the spirits. The Department intends to instruct the Customs Service to assess countervailing duties at the rates stated above on all unliquidated entries of this merchandise entered, or withdrawn from warehouse, for consumption prior to April 3, 1980. In addition, should the ITC find that there is injury or likelihood of injury to an industry in the United States, the Department intends to instruct the Customs Service to assess countervailing duties at these rates on all unliquidated entries of plain and compounded spirits entered, or withdrawn from warehouse, for

consumption from April 3, 1980, through December 31, 1980.

Further, as required by § 355.30(c) of the Commerce Regulations, a cash deposit of the estimated countervailing duties listed above shall be required on all shipments entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results. This requirement shall remain in effect until publication of the final results of the next administrative review.

Pending publication of the final results of the present review, a deposit of estimated duties of 0.004 Irish pounds per liter of alcohol in plain spirits and 0.008 Irish pounds per liter of alcohol in compounded spirits, shall be required on each entry, or withdrawal from warehouse, for consumption of this merchandise, and liquidation shall continue to be suspended until the Department is notified of a ruling by the ITC.

Interested parties may submit written comments on or before May 20, 1981, and may request disclosure and/or a hearing on or before May 5, 1981. The Department will publish the final results of this administrative review including the results of its analysis of any such comments or hearing.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and § 355.41 of the Commerce Regulations (19 CFR 355.41).

John D. Greenwald,
Deputy Assistant Secretary for Import Administration.

April 13, 1981.
[FR Doc. 81-11765 Filed 4-17-81; 8:45 am]
BILLING CODE 3510-25-M

DEPARTMENT OF DEFENSE

Office of the Secretary

Privacy Act of 1974; Notices of Systems of Records: Deletions

AGENCY: Office of the Secretary of Defense (OSD).

ACTION: Deletions of system notices.

SUMMARY: The Office of the Secretary of Defense proposes to delete the system notices for five systems of records: DCOMP 01, "Personnel Roster"; DCOMP MS11, "List of Female Employees of OSD/OJCS"; and DCOMP PBO1, "Personnel File/Biography"; DCOMP PBO2, "Personnel Roster"; and DCOMP PBO3, "Personnel Roster," subject to the Privacy Act of 1974. All these systems of records are adequately covered by OPM/GOVT-1, with the exception of

Spirits From Ireland; Final Results of Administrative Review of Countervailing Duty Order

AGENCY: International Trade Administration, Department of Commerce.

ACTION: Notice of final results of administrative review of countervailing duty order.

SUMMARY: On April 20, 1981, the Department of Commerce published the preliminary results of its administrative review of the countervailing duty order

on spirits from Ireland. The review is based upon information for the period January 1, 1980 through December 31, 1980. Interested parties were given an opportunity to submit written or oral comments. We received no comments.

As a result of this review, the Department has determined to assess countervailing duties of 0.004 Irish pounds per liter of alcohol in plain spirits and 0.008 Irish pounds per liter of alcohol in compounded spirits.

EFFECTIVE DATE: June 25, 1981.

FOR FURTHER INFORMATION CONTACT: Paul J. McGarr, Office of Compliance, Room 2803, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-1167).

SUPPLEMENTARY INFORMATION:

Procedural Background

On May 25, 1914, in T.D. 34466, the Department of the Treasury imposed countervailing duties on certain classes of spirits imported directly or indirectly from the United Kingdom of Great Britain and Ireland. On June 20, 1935, in T.D. 47753, the Department of the Treasury stated that countervailing duties continued to be applicable to spirits from Ireland, notwithstanding the establishment of the Irish Free State.

On April 3, 1980, the International Trade Commission ("the ITC") notified the Department of Commerce ("the Department") that an injury determination had been requested under section 104(b) of the Trade Agreements Act of 1979. Therefore, following the requirements of that section, liquidation was suspended on April 3, 1980 on all shipments of spirits from Ireland entered, or withdrawn from warehouse, for consumption on or after that date.

On April 20, 1981, the Department published in the Federal Register a notice of "Preliminary Results of Administrative Review of Countervailing Duty Order" (48 FR 22632). The Department has now completed its administrative review of that countervailing duty order.

Scope of the Review

Imports covered by this review are plain spirits and compounded spirits from the Republic of Ireland. These imports are currently classifiable under items 168.96, 168.98, 169.19, 169.20, 169.46 and 169.47, Tariff Schedules of the United States. The review is based on information for the period January 1, 1980 through December 31, 1980.

Interested parties were afforded an opportunity to furnish oral or written comments. The Department received no such comments.

Final Results of the Review

Since we have received no comments, the final results of our review are the same as those presented in the preliminary results of the review. We therefore determine that the net subsidy conferred on spirits from Ireland is 0.004 Irish pounds per liter of alcohol in plain spirits and 0.008 Irish pounds per liter of alcohol in compounded spirits for the period January 1, 1980 through December 31, 1980.

The U.S. Customs Service shall assess countervailing duties at the rates stated above on all unliquidated entries of this merchandise entered, or withdrawn from warehouse, for consumption prior to April 3, 1980. In addition, should the ITC find that there is material injury or likelihood of material injury to an industry in the United States, the Department will instruct the Customs Service to assess countervailing duties at these rates on all unliquidated entries of plain and compounded spirits entered, or withdrawn from warehouse, for consumption from April 3, 1980 through December 31, 1980.

Further, as required by section 751(a)(1) of the Tariff Act of 1930, the Customs Service shall collect a cash deposit of the estimated countervailing duties listed above on all shipments entered, or withdrawn from warehouse, for consumption on or after the date of publication of these final results, and liquidation shall continue to be suspended on such shipments.

This deposit requirement will remain in effect until publication of the final results of the next administrative review. The Department intends to conduct the next review by the end of June, 1982.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act of 1930 (19 U.S.C. 1675(a)(1)) and § 355.41 of the Commerce Regulations (19 CFR 355.41).

B. Warning Paragraph, III.

Acting Deputy Assistant Secretary for Import Administration.

June 22, 1981.

[FR Doc. 81-18775 Filed 6-24-81; 8:45 am]

BILLING CODE 3510-25-M

PDF Create! 6 Trial
www.nuance.com

APPENDIX E

FEDERAL REGISTER NOTICE OF U.S. INTERNATIONAL TRADE
COMMISSION'S INSTITUTION OF COUNTERVAILING DUTY
INVESTIGATION (46 F.R. 30736)

PDF CREAT! 6 Trial
www.nuance.com

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-101; Order No. 1]

Certain Hot Air Corn Poppers and Components Thereof; Investigation

Pursuant to my authority as Chief Administrative Law Judge of this Commission, I hereby designate Administrative Law Judge Donald K. Duvall as Presiding Officer in this investigation.

The Secretary shall serve a copy of this order upon all parties of record and shall publish it in the Federal Register.

Issued: May 29, 1981.

Donald K. Duvall,

Chief Administrative Law Judge.

[FR Doc. 81-17223 Filed 6-9-81; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 104-TAA-3]

Certain Spirits From Ireland; Countervailing Duty Investigation

AGENCY: International Trade Commission.

ACTION: Institution of a countervailing duty investigation.

SUMMARY: On May 25, 1914 in T.D. 34466 the Department of the Treasury (Treasury) imposed countervailing duties, under section 4 of the Tariff Act of 1913, on certain classes of spirits imported from the United Kingdom of Great Britain and Ireland. On June 20, 1935, in T.D. 47753, Treasury stated that countervailing duties continued to be applicable to spirits from Ireland, because the export bounties set forth in T.D. 34466 had been paid continuously since the date of the notice notwithstanding the establishment of the Irish Free State. Accordingly imports of spirits from Ireland, currently provided for under items 168.96, 168.98, 169.19, 169.20, 169.46 and 169.47 of the Tariff Schedules of the United States have been subject to countervailing duties.

On January 1, 1980, the provisions of the Trade Agreements Act of 1979 became effective, and on January 2,

1980, the authority for administering the countervailing duty statute was transferred from Treasury to the Department of Commerce (Commerce). On May 13, 1980, Commerce published a notice in the Federal Register (44 FR 31455) of intent to conduct an annual administrative review of all outstanding countervailing duty orders.

The U.S. International Trade Commission received a request for this investigation on March 28, 1980, from the Delegation of the Commission of European Communities.

As required by section 751(a)(1) of the Tariff Act of 1930, Commerce has conducted its first annual administrative review of the countervailing duty order on spirits from Ireland. As a result, Commerce, in the Federal Register of April 20, 1981 (46 FR 22632), preliminarily determined that the net subsidy conferred is 0.004 Irish pounds per liter of alcohol in plain spirits and 0.008 Irish pounds per liter of alcohol in compounded spirits. On the basis of that determination, the United States International Trade Commission, pursuant to section 104(b)(2) of the Trade Agreements Act, is instituting an investigation with respect to certain spirits from Ireland. Commerce reported that it would issue a final determination in this case after analysis of issues received in written comments or at a hearing. However, no hearing was requested and no written comments had been received by the deadline for their submission to Commerce, May 20, 1981. Commerce's final determination as to the most current level of subsidies will be made as soon as possible.

EFFECTIVE DATE: June 4, 1981.

FOR FURTHER INFORMATION CONTACT: John MacHatton, Supervisory Investigator, U.S. International Trade Commission, Washington, D.C. 20436 (202-523-0439).

SUPPLEMENTARY INFORMATION: The United States International Trade Commission is instituting this countervailing duty investigation to determine whether an industry in the United States would be materially injured, would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, by reason of imports of spirits from Ireland provided for under items 168.96, 168.98, 169.19, 169.20, 169.46 and 169.47 of the Tariff Schedules of the United States covered by the countervailing duty if the order were to be revoked.

Public Hearing. Any person with an interest in this investigation may request in writing that the Commission hold a public hearing in connection with this

investigation. Any such request must be received by the Commission on or before June 24, 1981. Such request should be filed with the Office of the Secretary, U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436.

Questionnaires. No questionnaires soliciting information from U.S. producers, importers, or purchasers of the articles under investigation will be prepared or mailed unless a person with an interest in this investigation requests that the Commission prepare a mail such questionnaires. Any such request must be received by the Commission within 14 days of the date of publication of the notice in the Federal Register. Such requests should be filed with the Office of the Secretary, U.S.

International Trade Commission Building, 701 E Street NW., Washington, D.C. 20436.

Written submission. Any person may submit to the Commission on or before June 26, 1981, written statements of information pertinent to the subject matter of the investigation. A signed original and nineteen true copies of such statements must be submitted in accordance with § 201.8 of the Commission's Rules of Practice and Procedure, 19 CFR 201.8 (1980).

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately and each sheet must be clearly marked at the top "Confidential business data." Confidential submissions must conform with the requirements of § 201.6 of the Rules of Practice and Procedure, 19 CFR 201.6. All written submissions, except confidential business data, will be available for public inspection.

For further information concerning the conduct of the investigation, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and C (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201).

This notice is published pursuant to section 207.20 of the Commission's Rules of Practice and Procedure (19 CFR 207.20, 44 FR 76458).

Issued: June 5, 1981.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 81-17218 Filed 6-9-81; 8:45 am]

BILLING CODE 7020-02-M

APPENDIX F

TREASURY DECISION 31229 IMPOSING ADDITIONAL DUTIES
ON SPIRITS, THE PRODUCT OF THE UNITED KINGDOM OF
GREAT BRITAIN AND IRELAND

PDF Created by Trial
www.nuance.com

125

[T. D. 31229-30

(T. D. 31229.)

Spirits the product of the United Kingdom of Great Britain and Ireland.

Additional duty under section 6 of the tariff act of 1909, equivalent to the export bounty paid, to be collected on certain spirits the product of the United Kingdom of Great Britain and Ireland.

TREASURY DEPARTMENT, *January 21, 1911.*

To collectors and other officers of the customs and others concerned:

It appears from certain laws of the United Kingdom of Great Britain and Ireland, copies of which have been transmitted to the department by the Secretary of State, that export bounties are paid by that country as follows:

On "plain British spirits," "spirits of the nature of spirits of wine," and "methylated spirits," 3 pence per gallon, computed at hydrometer proof.

On "British compounded spirits" 5 pence per gallon, computed at hydrometer proof.

You are hereby instructed to collect additional duties under section 6 of the tariff act of August 5, 1909, accordingly, whether the spirits be imported directly or indirectly.

The department is advised that 1 gallon of British proof spirit (ascertained always with Sykes's hydrometer) is equal to 1.2009 United States gallons of spirit, 114.4 per cent United States proof, or 1.374 United States proof gallons.

This decision will take effect 30 days after date, as provided in T. D. 28627 of December 18, 1907.

FRANKLIN MACVEAGH, *Secretary.*

APPENDIX C

TREASURY DECISION 31490 REVOKING T.D. 31229 OF
JANUARY 21, 1911

PDF Create! 6 Trial
www.nuance.com

T. D. 31490-91]

692

(T. D. 31490.)

Spirits the product of the United Kingdom of Great Britain and Ireland.

No additional duty to be assessed under section 6, tariff act of August 5, 1909.—T. D. 31229 of January 21, 1911, revoked.

TREASURY DEPARTMENT, *April 18, 1911.*

To collectors and other officers of the customs:

Upon a further consideration of the laws of the United Kingdom of Great Britain and Ireland relating to the allowance granted upon exported British spirits, and in view of additional laws and facts in relation thereto submitted by officers of the said Government, the department has reached the conclusion that the said allowance is not a bounty or grant within the meaning of section 6 of the tariff act of August 5, 1909. Consequently no countervailing duty will be assessed upon British spirits imported into the United States. T. D. 31229 is hereby revoked.

JAMES F. CURTIS, *Assistant Secretary.*

APPENDIX H

**TREASURY DECISION 34466 IMPOSING COUNTERVAILING DUTY ON
BRITISH SPIRITS**

PDF Create! 6 Trial
www.nuance.com

(T. D. 34466.)

Countervailing duty on British spirits equivalent to export bounty.

Additional duty under paragraph E of section 4 of the tariff act of October 3, 1913, equivalent to the export bounty paid, to be collected on certain British spirits.

TREASURY DEPARTMENT, *May 25, 1914.*

To collectors and other officers of the customs:

Your attention is invited to T. D. 31229 of January 21, 1911, imposing countervailing duties on certain British spirits equivalent to the export allowances granted by the Government of the United Kingdom of Great Britain and Ireland and to the revocation of that decision in T. D. 31490 of April 18, 1911.

The Secretary of State has transmitted to the department a consular report which furnishes additional information in the matter and the Attorney General has stated that the question of whether the said export allowances are bounties within the meaning of paragraph E of section 4 of the tariff act of October 3, 1913, is one better fitted for judicial determination than for an expression of his opinion.

The department, after further careful consideration of the matter, is of the opinion that the allowances in question (except that on "methylated spirits") constitute export bounties within the meaning of said paragraph of law. Countervailing duties are, therefore, reimposed in regulations as follows:

REGULATIONS:

Definitions.

1. The British commissioners of customs and excise have furnished the American embassy at London with the following definitions:

(a) Plain British spirits.

Section 3 of the spirits act, 1880, enacts that—

"Spirits" means spirits of any description and includes all liquors mixed with spirits, and all mixtures, compounds, or preparations made with spirits.

"British spirits" means spirits liable to a duty of excise.

"Plain spirits" means any British spirits (except low wines and feints) which have not had any flavor communicated thereto or ingredient or material mixed therewith.

NOTE.—Low wines and feints are impure spirits, the product of distillation which never leaves the distillery in such state.

(b) Spirits in the nature of spirits of wine.

Section 3 of the spirits act, 1880, enacts that—

"Spirits of wine" means rectified spirits of the strength of not less than 43° above proof.

NOTE.—There is no specific definition of "spirits in the nature of spirits of wine," but in practice the words are interpreted as identical with the words "spirits of wine," as above defined.

(c) British compounded spirits.

Section 3 of the spirits act, 1880, enacts that—

"British compounds" means spirits redistilled or which have had any flavor communicated thereto or ingredient or material mixed therewith.

T. D. 34467]

826

2. The Bureau of Standards, Department of Commerce, has advised the department that 1 British gallon of British proof spirit (ascertained always with Sykes's hydrometer) is equal to 1.2009 United States gallons of spirit, 114.4 per cent United States proof, or 1.374 United States proof gallons.

Additional duties to be collected.

3. Collectors of customs shall collect on the following-named articles, when imported directly or indirectly from the United Kingdom of Great Britain and Ireland, additional duties under paragraph E of section 4 of the tariff act of October 3, 1913, equivalent to the export bounties paid by that country, as follows:

- (a) On "plain British spirits" and "spirits in the nature of spirits of wine" 3 pence per gallon, computed at hydrometer proof.
- (b) On "British compounded spirits" 5 pence per gallon, computed at hydrometer proof.

Amount of bounty to be certified on invoices.

4. Consular officers will certify on every invoice of such spirits the exact amount of bounty which each item has received or is entitled to receive from the British Government.

Importers' remedy by way of protest.

5. Collectors will direct the attention of importers who may be dissatisfied with the assessment of additional duties hereunder to their remedy by way of protest under the provisions of paragraph N of section 3 of the tariff act of October 3, 1913.

Time of taking effect.

6. These regulations will take effect 30 days after date.

(75418.)

CHAS. S. HAMLIN, *Acting Secretary.*

PDF Create! 6 Trial
www.nuance.com

APPENDIX I
TREASURY DECISION 47753

PDF Create! 6 Trial
www.nuance.com

939

[T.D. 47753]

(T. D. 47753)

Countervailing duties—Spirits from the United Kingdom of Great Britain and Northern Ireland and from the Irish Free State

T. D. 34466 and T. D. 35510, relating to net amounts of bounties paid by the United Kingdom of Great Britain and Ireland, declared to be in full force and effect with reference to spirits exported from the United Kingdom of Great Britain and Northern Ireland and from the Irish Free State

TREASURY DEPARTMENT,
OFFICE OF THE COMMISSIONER OF CUSTOMS,
Washington, D. C.

To Collector of Customs and Others Concerned:

Reference is made to T. D. 34466 and T. D. 35510, relating to export bounties paid by the Government of the United Kingdom of Great Britain and Ireland.

T. D. 35510 is explanatory of T. D. 34466, which directed the collection of countervailing duties on certain classes of spirits named therein, when imported directly or indirectly from the United Kingdom of Great Britain and Ireland under the provisions of section 4 of the Tariff Act of 1913.

The bounties referred to in the Treasury decisions in question are now being paid and have been paid at all times since the date of T. D. 34466. Since the establishment of the Irish Free State, these bounties have been and are being paid by the Governments of the United Kingdom of Great Britain and Northern Ireland, and the Irish Free State, respectively.

Section 303 of the Tariff Act of 1930 carries forward the principle of its antecedents in tariff legislation, section 4 in the Tariff Act of 1913 and section 303 of the Tariff Act of 1922, and in view of the fact that the export bounties set forth in T. D. 34466 and referred to in T. D. 35510 have been paid continuously since the date of T. D. 34466, the Bureau regards the Treasury decisions as being in full force and effect and as being applicable to the spirits imported directly or indirectly from the United Kingdom of Great Britain and Northern Ireland and from the Irish Free State, notwithstanding that the bounties are paid by different units of the British Commonwealth of Nations.

The bounties are stated below for convenience, the difference in designated description being due to different descriptions employed in the United Kingdom and in the Irish Free State for the same classes of spirits:

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

(a) "Plain British spirits" and "spirits in the nature of spirits of wine", 3 pence per gallon, computed at hydrometer proof.

T.D. 47754]

940

(b) "British compounded spirits", 5 pence per gallon, computed at hydrometer proof.

IRISH FREE STATE

(a) "Home-made plain spirits" and "spirits in the nature of spirits of wine", 3 pence per gallon, computed at hydrometer proof.

(b) "Home-made compounded spirits", 5 pence per gallon, computed at hydrometer proof.

Collectors of customs will collect additional duties equal to the bounties set forth above on the commodities named, when imported directly or indirectly from the United Kingdom of Great Britain and Northern Ireland and from the Irish Free State.

Unliquidated entries and future entries of spirits imported directly or indirectly from the United Kingdom of Great Britain and Northern Ireland or the Irish Free State shall be liquidated accordingly.

(110448.)

FRANK DOW,

Acting Commissioner of Customs.

Approved June 20, 1935:

L. W. ROBERT, Jr.,

Acting Secretary of the Treasury.

PDF Create! 6 Trial
www.nuance.com

APPENDIX J

TREASURY DECISION 77-65 REVOKING TREASURY DECISIONS
34466 AND 47753

PDF Create! 6 Trial
www.nuance.com

131

[T.D. 77-64-65]

(R.S. 251, secs. 303, as amended, 624; 46 Stat. 687, 759, 88 Stat. 2050; 19 U.S.C. 66, 1303, as amended, 1624.)

(APP-4-05)

VERNON D. ACREE,
Commissioner of Customs.

Approved February 7, 1977,
JOHN H. HARPER,
Acting Assistant Secretary of the Treasury.

[Published in the FEDERAL REGISTER February 11, 1977 (42 FR 8634)]

(T.D. 77-65)

Countervailing Duties—Spirits from Great Britain

Revocation of Treasury Decisions 34466 and 47753 which
imposed Countervailing Duties

DEPARTMENT OF THE TREASURY,
OFFICE OF THE COMMISSIONER OF CUSTOMS,
Washington, D.C.

TITLE 19—CUSTOMS DUTIES

CHAPTER 1—UNITED STATES CUSTOMS SERVICE

PART 159—LIQUIDATION OF DUTIES

On May 25, 1914, the Treasury Department in T.D. 34466, imposed countervailing duties on certain classes of spirits imported directly or indirectly from the United Kingdom of Great Britain and Ireland, under paragraph *E* of section 4 of the Tariff Act of October 3, 1913. The additional duties, equivalent to the export bounties, were 3 pence per gallon on "plain British spirits" and "spirits in the nature of spirits of wine," and 5 pence per gallon on "British compounded spirits."

This decision was then modified, and appropriate instructions were issued for clarification several times. For example, on December 11, 1914, in T.D. 34982, the collection of countervailing duties on rum was discontinued since no allowance whatever was payable on the exportation of rum from Great Britain.

On June 20, 1935, in T.D. 47753, it was stated that: "Section 303 of the Tariff Act of 1930 carries forward the principle of its antecedents in tariff legislation, section 4 of the Tariff Act of 1913 and sec-

T.D. 77-65]

132

tion 303 of the Tariff Act of 1922, and in view of the fact that the export bounties set forth in T.D. 34466 . . . have been paid continuously since the date of T.D. 34466, the Bureau [of Customs] regards the Treasury decisions as being in full force and effect and as being applicable to the spirits imported directly or indirectly from the United Kingdom of Great Britain and Northern Ireland and from the Irish Free State, notwithstanding that the bounties are paid by different units of the British Commonwealth of Nations."

On September 7, 1950, in T.D. 52555, it was stated that upon receipt of information, the 3 pence per gallon export bounty on spirits exported from the United Kingdom of Great Britain and Northern Ireland was repealed, and T.D.'s 34466 and 47753 were modified "so as not to require the assessment of countervailing duties on imported 'plain British spirits' and 'spirits in the nature of spirits of wine.'" Then, in T.D. 55812, which was published in the FEDERAL REGISTER of January 24, 1963 (28 F.R. 635), liqueurs described as "British Spirits Sweetened in Bond," and exported to the United States by Long John Distilleries, Ltd., of Glasgow, Scotland, were exempted.

The Treasury Department has been informed that by British Revenue Act of 1968, the British Government has terminated all remaining export allowances on spirits. That Act provided, however, that export allowances would continue on shipments under contract made prior to November 19, 1967. After due investigation it is hereby determined that bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (19 U.S.C. 1303), are no longer being paid or bestowed upon the exportation of spirits from Great Britain.

Accordingly, countervailing duties will not be collected on spirits imported from Great Britain directly or indirectly which are or will be entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the FEDERAL REGISTER. Neither will such duties be collected on any entries of such spirits which have not been liquidated or the liquidation of which has not become final by such date.

The table in section 159.47(f) of the Customs Regulations (19 CFR 159.47(f)) is amended by deleting, after the word "Great Britain" in the column headed "Country," the word "spirits" in the column headed "Commodity"; by deleting T.D.'s 34466, 34752, 34982, 35089, 35510, 35668, 47826-7, 52555 and 55812 from the column headed "Treasury Decision"; and, by deleting all referenced actions following the above-stated T.D.'s in the column headed "Action".

133

[T.D. 77-65-66

(R.S. 251, secs. 303, as amended, 624; 46 Stat. 687, 759, 88 Stat. 2049; 19
U.S.C. 66, 1303, as amended, 1624.)

(APP-4-05)

VERNON D. ACREE,
Commissioner of Customs.

Approved February 8, 1977,
JOHN H. HARPER,
Acting Assistant Secretary of the Treasury.

[Published in the FEDERAL REGISTER February 15, 1977 (42 FR 9168)]

APPENDIX K
SUPPLEMENTAL STATISTICS

PDF Create! 6 Trial
www.nuance.com

Table K-1.—Alcoholic beverages: U.S. shipments, imports, and apparent consumption, by types, 1976-79

Item and year	Beer	Wine	Distilled spirits 1/	Total apparent consumption
Domestic shipments:				
1976-----1,000 wine gallons-----	4,661,792	330,671	281,029	5,273,492
1977-----do-----	4,864,338	334,744	287,705	5,486,787
1978-----do-----	5,043,883	352,577	298,628	5,695,088
1979-----do-----	5,211,587	365,852	302,466	5,879,905
Imports:				
1976-----do-----	73,950	45,718	104,658	224,326
1977-----do-----	78,960	56,228	105,913	241,101
1978-----do-----	107,355	78,496	120,530	306,381
1979-----do-----	137,730	78,523	115,332	331,585
Apparent consumption:				
1976-----do-----	4,735,742	376,389	385,687	5,497,818
1977-----do-----	4,943,298	400,972	393,618	5,737,888
1978-----do-----	5,151,238	431,073	419,158	6,001,469
1979-----do-----	5,349,317	444,375	417,798	6,211,490
Share of total apparent consumption: percent				
1976-----do-----	86.1	6.9	7.0	100.0
1977-----do-----	86.2	7.0	6.8	100.0
1978-----do-----	85.8	7.2	7.0	100.0
1979-----do-----	86.1	7.2	6.7	100.0

1/ Distilled spirits includes whiskey, cordials, brandy, gin, rum, and vodka.

Source: U.S. Brewers Association, Wine Institute, Distillers, and U.S. Department of Commerce.

Table K-2. Selected distilled spirits: U.S. shipments, imports, and apparent consumption, by types, 1976-79

Item and year	Whisky		Cordials		Brandy	Gin	Rum	Vodka	Total apparent consumption
	Irish	Total	Irish	Total					
Domestic shipments:									
1976-----1,000 wine gallons-----	0	125,140	0	9,380	13,408	36,885	17,706	88,540	281,029
1977-----do-----	0	113,097	0	9,822	13,439	38,730	21,978	90,639	287,705
1978-----do-----	0	113,550	0	11,990	13,459	38,562	26,264	94,803	298,628
1979-----do-----	0	109,829	0	10,932	13,725	38,933	31,337	97,710	302,466
Imports:									
1976-----do-----	363	92,069	79	4,905	2,023	5,073	588	1/	104,658
1977-----do-----	303	91,223	79	5,592	3,117	5,324	-657	1/	105,913
1978-----do-----	419	101,886	70	7,370	4,188	6,212	874	1/	120,530
1979-----do-----	479	95,397	162	7,982	4,857	6,364	732	1/	115,332
Apparent consumption:									
1976-----1,000 wine gallons-----	363	207,209	79	14,285	15,431	41,928	18,294	88,540	385,687
1977-----do-----	303	204,320	79	15,414	16,556	44,054	22,635	90,639	393,618
1978-----do-----	419	215,436	70	19,360	17,647	44,774	27,138	94,803	419,158
1979-----do-----	479	205,226	162	18,914	18,582	45,297	32,069	97,710	417,798
Share of total apparent consumption:									
1976-----percent-----	0.09	53.7	0.02	3.7	4.0	10.9	4.7	23.0	100.0
1977-----do-----	.08	51.9	.02	3.9	4.2	11.2	5.8	23.0	100.0
1978-----do-----	.10	51.4	.02	4.6	4.2	10.7	6.5	22.6	100.0
1979-----do-----	.11	49.1	.04	4.5	4.5	10.8	7.7	23.4	100.0

1/ Not available prior to 1980.

Source:

Table K-2.—Distilled spirits: U.S. shipments, imports, and apparent consumption, 1976-79, Jan.-Oct. 1980--Continued

Period	(In percent)			
	Ratio of Irish whisky to imported whisky: all whisky	Ratio of Irish whisky to imported cordials: all cordials	Ratio of Irish whisky to cordials to imported cordials: all cordials	Ratio of Irish whisky to cordials to imported cordials: all cordials
1976-----	0.0039	0.0018	0.0161	0.0055
1977-----	.0033	.0015	.0141	.0051
1978-----	.0041	.0019	.0095	.0036
1979-----	.0050	.0023	.0203	.0086
1980 (January-October)-----	.0032	:	.0380	:

Source: Official statistics of the U.S. Department of Commerce, and the annual statistical review of the Distilled Spirits Industry.

Table K-3.--Spirits for beverages: U.S. imports for consumption, by principal sources, 1978-80

Source	1978	1979	1980
	Quantity (proof gallon)		
U.S.S.R-----	626,363	855,281	638
Brazil-----	214,938	256,213	357
Finland-----	73,447	89,612	0
Mexico-----	0	24,182	59,215
Sweden-----	0	23,892	0
Poland-----	27,723	16,071	0
Canada-----	25,448	14,483	2,020
United Kingdom-----	18,668	11,190	4,784
Ireland-----	0	0	0
All other-----	157,530	89,885	11,611
Total-----	1,144,117	1,380,809	78,625
	Value (1,000 dollars)		
U.S.S.R-----	3,941	5,761	6
Brazil-----	444	234	4
Finland-----	634	758	-
Mexico-----	-	149	567
Sweden-----	-	98	-
Poland-----	138	92	-
Canada-----	117	67	9
United Kingdom-----	150	119	70
Ireland-----	-	-	-
All other-----	285	222	151
Total-----	5,709	7,500	807
	Unit value (proof gallon)		
U.S.S.R-----	\$6.29	\$6.74	\$9.40
Brazil-----	2.07	.91	11.20
Finland-----	8.63	8.46	-
Mexico-----	-	6.16	9.58
Sweden-----	-	4.10	-
Poland-----	4.98	5.72	-
Canada-----	4.60	4.63	4.46
United Kingdom-----	8.04	10.63	14.63
Ireland-----	-	-	-
All other-----	1.81	2.47	13.00
Total-----	4.99	5.43	10.26

Source: Compiled from official statistics of the U.S. Department of Commerce.

PDF Create! 6 Trial
www.nuance.com

PDF Create! 6 Trial
www.nuance.com